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(3) Dividend Policy

Since its establishment, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. The Company has implemented a proactive and comprehensive profit return to shareholders through dividend payments and own share repurchases, upon careful consideration of its consolidated business performance.

From the perspective of return on the capital investment made by shareholders, Panasonic, in principle, distributes profits to shareholders based on its business performance and is aiming for stable and continuous growth in dividends, targeting a dividend payout ratio of between 30% and 40% with respect to consolidated net income attributable to Panasonic Corporation. Regarding share buybacks, the Company is repurchasing its own shares as it considers appropriate, taking comprehensively into consideration strategic investments and the Company's financial condition, with the aim of increasing shareholder value per share and return on capital.

In fiscal 2012, the Company posted the largest-ever losses due mainly to the Great East Japan Earthquake, the flooding in Thailand and significant business restructuring expenses. In light of the Company's policy emphasizing its stable rewards to its shareholders, the Company paid an interim dividend of 5 yen per share on November 30, 2011 and a year-end dividend of 5 yen per share on June 8, 2012, making an annual cash dividend of 10 yen per share. Meanwhile, the Company did not repurchase its own shares, except for acquiring fractions of a trading unit and other minor transactions. Although Panasonic expects severe business environment, the Company will strive to improve its performance and distribute earnings to shareholders.

(4) Initiatives to Maximize Shareholder Value

On April 28, 2005, the Board of Directors resolved to adopt a policy related to a Large-scale Purchase of the Company's shares called the Enhancement of Shareholder Value (ESV) Plan. The ESV Plan has been approved at Board of Directors meeting annually. On May 11, 2012, the Board of Directors resolved to continue the ESV Plan.

With respect to a Large-scale Purchaser who intends to acquire 20% or more of all voting rights of the Company, this policy requires that (i) a Large-scale Purchaser provides sufficient information, such as its outline, purposes or conditions, the basis for determination of the purchase price and funds for purchase, and management policies and business plans which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase, to the Board of Directors before a Large-scale Purchase is to be conducted and (ii) after all required information is provided, the Board of Directors should be allowed a sufficient period of time (a sixty-day period or a ninety-day period) for consideration.

The Board of Directors intends to assess and examine any proposed Large-scale Purchase after the information on such purchase is provided, and subsequently to disclose the opinion of the Board of Directors and any other information needed to assist shareholders in making their decisions. The Board of Directors may negotiate with the Large-scale Purchaser regarding purchase conditions or suggest alternative plans to shareholders, if it is deemed necessary.

If a Large-scale Purchaser does not comply with the rules laid out in the ESV Plan, the Company's Board of Directors may take countermeasures against the Large-scale Purchaser to protect the interests of all shareholders. Countermeasures include the implementation of stock splits, issuance of stock acquisition rights (including allotment of share options without contribution) or any other measures that the Board of Directors is permitted to take under the Company Law in Japan, other laws and the Company's Articles of Incorporation.

If a Large-scale Purchaser complies with the Large-scale Purchase rules, the Board of Directors does not

intend to prevent the Large-scale Purchase at its own discretion, unless it is clear that such Large-scale Purchase will cause irreparable damage or loss to the Company.

The Board of Directors will make decisions relating to countermeasures by referring to advice from outside professionals, such as lawyers and financial advisers, and fully respect the opinions of outside directors and statutory corporate auditors.

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When invoking the aforementioned countermeasures, if the Company's Board of Directors decides that it is appropriate to confirm the will of shareholders from the perspective of the interest of all shareholders, a general meeting of shareholders will be held. If the Company's Board of Directors decides to hold a general meeting of shareholders, it will give notice to that effect as well as the reasons for such a meeting at that time.

The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. If the Board of Directors elects to make a stock split for shareholders as of a certain record date, the maximum ratio of the stock split shall be five-for-one. If the Board of Directors elects to issue stock acquisition rights to shareholders, the Company will issue one stock acquisition right for every share held by shareholders on a specified record date. One share shall be issued on the exercise of each stock acquisition right.

If the Board of Directors elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period and exercise conditions of the stock acquisition rights in consideration of the effectiveness thereof as a countermeasure, such as the condition that shareholders do not belong to a specific group of shareholders including a Large-scale Purchaser, as well as the conditions that allow the Company to acquire share options by swapping Company stock with a party other than the Large-scale Purchaser. The Company recognizes that the aforementioned countermeasures may cause damage or loss, economic or otherwise, to a prospective Large-scale Purchaser who does not comply with the Large-scale Purchase Rules.

The Company does not anticipate that taking such countermeasures will cause shareholders, other than the Largescale Purchaser, economic damage or loss of any rights. However, in the event that the Board of Directors determines to take a specific countermeasure, the Board of Directors will disclose such countermeasure in a timely and appropriate manner, pursuant to relevant laws and stock exchange regulations.
The terms of office of all Directors are for one year, and they are elected at an annual general meeting of shareholders in June of each year. All of the two Outside Directors and three Outside Corporate Auditors are notified to the Japanese stock exchanges as "independent directors/corporate auditors" pursuant to the regulations of the Japanese stock exchanges and are unlikely to have any conflict of interests with shareholders of the Company. Panasonic's Board of Directors intends to review the Large-scale Purchase Rules, as necessary, for reasons including amendments to applicable legislation. Any such review would be conducted strictly in the interests of all shareholders.

For further details about the ESV Plan, please see the press release issued on May 11, 2012 at the Company's Web site:
http://panasonic.co.jp/corp/news/official.data/data.dir/en120511-5/en120511-5.pdf

B. Significant Changes

No significant changes have occurred since the date of the annual financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offer and Listing Details

The primary market for the Company's common stock (Common Stock) is the Tokyo Stock Exchange (TSE). The Common Stock is traded on the First Section of the TSE and is also listed on two other stock exchanges (Osaka and Nagoya) in Japan. In the United States, the Company's American Depositary Shares (ADSs) have been listed on and traded in the NYSE in the form of American Depositary Receipts (ADRs). There may from time to time be a differential between the Common Stock's price on exchanges outside the United States and the market price of ADSs in the United States.

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ADRs were originally issued pursuant to a Deposit Agreement dated as of April 28, 1970, as amended from time to time (Deposit Agreement), among the Company, the Depositary for ADRs, and the holders of ADRs. The current Depositary for ADRs is JPMorgan Chase Bank, N.A., which succeeded to this business from Morgan Guaranty Trust Company of New York upon their merger. Effective December 11, 2000, Panasonic again revised its ADR Deposit Agreement and executed a 10:1 ADS ratio change. As a result, one ADS now represents one share of Common Stock. ADRs evidence ADSs that represent the underlying Common Stock deposited under the Deposit Agreement with Sumitomo Mitsui Banking Corporation, as agent of the Depositary.

The following table sets forth for the periods indicated the reported high and low prices of the Company's Common Stock on the TSE, and the reported high and low prices of the Company's ADSs on the NYSE:

	Tokyo Stock Exchange		New York Stock Exchange	
	Price per Share of Common Stock (yen)		Price per American Depositary Share (dollars)*	
Fiscal Year ended March 31	**High**	**Low**	**High**	**Low**
2008	2,585	1,912	22.59	16.63
2009	2,515	1,000	24.38	10.60
2010	1,585	1,062	17.19	10.77
2011	1,480	826	15.72	10.76
2012	1,070	582	12.75	7.77
2011				
1st quarter	1,480	1,104	15.72	12.35
2nd quarter	1,212	1,027	13.80	12.14
3rd quarter	1,272	1,100	15.00	13.19
4th quarter	1,206	826	14.56	10.76
2012				
1st quarter	1,070	902	12.75	11.29
2nd quarter	1,032	703	12.66	9.22
3rd quarter	834	638	11.00	8.13
4th quarter	783	582	9.46	7.77

	Tokyo Stock Exchange		New York Stock Exchange	
	Price per Share of Common Stock (yen)		Price per American Depositary Share (dollars)*	
Most recent 6 months	**High**	**Low**	**High**	**Low**
December 2011	748	638	9.54	8.13
January 2012	671	606	8.69	8.00
February 2012	777	582	9.46	7.77
March 2012	783	694	9.35	8.56
April 2012	780	616	9.27	7.59
May 2012	628	507	7.60	6.44

* The prices of ADSs are based upon reports by the NYSE, with all fractional figures rounded up to the nearest two decimal points.

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B. Plan of Distribution

Not applicable

C. Markets

See Section A of this Item 9.

D. Selling Shareholders

Not applicable

E. Dilution

Not applicable

F. Expenses of the Issue

Not applicable

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Item 10. Additional Information

A. Share Capital

Not applicable

B. Memorandum and Articles of Association

Organization

The Company is a joint stock corporation (kabushiki kaisha) incorporated in Japan under the Company Law (kaishaho) of Japan (Company Law). The Company is registered in the Commercial Register (shogyo tokibo) maintained by the Osaka Legal Affairs Bureau.

Objects and Purposes

Article 3 of the Articles of Incorporation of the Company provides that its purpose is to engage in the following lines of business:

1. manufacture and sale of electric machinery and equipment, communication and electronic equipment, as well as lighting equipment;
2. manufacture and sale of gas, kerosene and kitchen equipment, as well as machinery and equipment for building and housing;
3. manufacture and sale of machinery and equipment for office and transportation, as well as for sales activities;
4. manufacture and sale of medical, health and hygienic equipment, apparatus and materials;
5. manufacture and sale of optical and precision machinery and equipment;
6. manufacture and sale of batteries, battery-operated products, carbon and manganese and other chemical and metal products;
7. manufacture and sale of air conditioning and anti-pollution equipment, as well as industrial machinery and equipment;
8. manufacture and sale of other machinery and equipment;
9. engineering and installation of machinery and equipment related to any of the preceding items as well as engineering and performance of and contracting for other construction work;
10. production and sale of software;
11. sale of iron and steel, nonferrous metals, minerals, oil, gas, ceramics, paper, pulp, rubber, leather, fibre and their products;
12. sale of foods, beverages, liquor and other alcoholics, agricultural, livestock, dairy and marine products, animal feed and their raw materials;

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13. manufacture and sale of drugs, quasi-drugs, cosmetics, fertilizer, poisonous and deleterious substance and other chemical products;
14. manufacture and sale of buildings and other structures and components thereof;
15. motion picture and musical entertainment business and promotion of sporting events;
16. export and import of products, materials and software mentioned in each of the preceding items (other than item 9);
17. providing repair and maintenance services for the products, goods and software mentioned in each of the preceding items for itself and on behalf of others;
18. provision of information and communication services, and broadcasting business;
19. provision of various services utilizing the Internet including Internet access and e-commerce;
20. business related to publishing, printing, freight forwarding, security, maintenance of buildings, nursing care, dispatch of workers, general leasing, financing, non-life insurance agency and buying, selling, maintaining and leasing of real estate;
21. investment in various businesses;
22. accepting commission for investigations, research, development and consulting related to any of the preceding items; and
23. all other business or businesses incidental or related to any of the preceding items.

Directors

Each Director (other than an outside Director) has executive powers and duties to manage the affairs of the Company and each Representative Director, who is elected from among the Directors by the Board of Directors, has the statutory authority to represent the Company in all respects. Under the Company Law, the Directors must refrain from engaging in any business competing with the Company unless approved by the Board of Directors and any Director who has a special interest in the subject matter of a resolution to be taken by the Board of Directors cannot vote on such resolution. Under the Company Law, the maximum total amounts of remunerations must be approved at a general meeting of shareholders. The Company must also obtain the approval at a general meeting of shareholders to change such maximum amounts. Within such authorized amounts, the remuneration amount for each Director is determined by Representative Director who is delegated to do so by the Board of Directors, and the amount of remuneration for each Corporate Auditor is determined upon discussions amongst the Corporate Auditors.

Except as stated below, neither the Company Law nor the Company's Articles of Incorporation make special provisions as to the Directors' or Corporate Auditors' power to vote in connection with their own compensation or retirement age, the borrowing power exercisable by a Representative Director (or a Director who is given power by a Representative Director to exercise such power), or requirements to hold any shares of Common Stock of the Company. Under the Company Law, the Company is required to obtain resolutions of the Board of Directors in specific circumstances, e.g. for a company to acquire or dispose of material assets; to borrow a substantial amount of money; to appoint or dismiss important employees such as a manager; to establish, change or abolish material corporate organizations such as a branch office; to determine such material conditions for offering of corporate bonds as set forth in the ordinances of the Ministry of Justice; to establish and maintain the internal control system to secure legitimate performance of duties of Directors as set forth in the ordinances of the Ministry of Justice; and to exempt a Director or Corporate Auditor from the liability for his/her actions under Article 423, Paragraph 1 of the Company Law pursuant to Article 426, Paragraph 1 of the Company Law.

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The Regulations of the Board of Directors of the Company require a resolution of the Board of Directors for the Company to borrow a large amount of money or to give a guarantee in a large amount. There is no statutory requirement as to what constitutes a "large" amount in these contexts. However, it has been the general practice of the Company's Board of Directors to adopt a resolution for a borrowing in an amount not less than 10 billion yen or its equivalent

Common Stock

General

Except as otherwise stated, set forth below is information relating to the Company's Common Stock, including brief summaries of the relevant provisions of the Company's Articles of Incorporation and Share Handling Regulations, as currently in effect, and of the Company Law and related regulations.

Effective on January 5, 2009, a new central book-entry transfer system for listed shares of Japanese companies was established pursuant to the Law Concerning Book-Entry Transfer of Corporate Bonds, Shares etc. and regulations thereunder (collectively, the "Book-entry Transfer Law"), and this system is applied to the shares of Common Stock of the Company. Under this system, shares of all Japanese companies listed on any Japanese stock exchange are dematerialized, and shareholders of listed shares must have accounts at account management institutions to hold their shares unless such shareholder has an account at Japan Securities Depository Center, Inc. ("JASDEC"), the only institution that is designated by the relevant authorities as a clearing house under the Book-entry Transfer Law. "Account management institutions" are financial instruments business operators (i.e., securities companies), banks, trust companies and certain other financial institutions which meet the requirements prescribed by the Book-entry Transfer Law. Transfer of the shares of Common Stock of the Company is effected exclusively through entry in the records maintained by JASDEC and the account management institutions, and title to the shares passes to the transferee at the time when the transfer of the shares is recorded at the transferee's account at an account management institution. The holder of an account at an account management institution is presumed to be the legal holder of the shares recorded in such account.

Under the Company Law and the Book-entry Transfer Law, in order to assert shareholders' rights to which shareholders as of record dates are entitled (such as the rights to vote at a general meeting of shareholders or receive dividends) against the Company, a shareholder must have its name and address registered in the Company's register of shareholders. Under the central book-entry transfer system, shareholders shall notify the relevant account management institutions of certain information prescribed under the Book-entry Transfer Law and the Company's Share Handling Regulations, including their names and addresses, and the registration on the register of shareholders is made upon receipt by the Company of necessary information from JASDEC (as described in "– Record date"). On the other hand, in order to assert, directly against the Company, shareholders' rights to which shareholders are entitled regardless of record dates such as minority shareholders' rights, including the right to propose a matter to be considered at a general meeting of shareholders, excluding shareholders' rights to request the Company to purchase or sell shares constituting less than a full unit (as described in "– Unit share system"), JASDEC shall, upon the shareholder's request, issue a notice of certain information including the name and address of such shareholder to the Company. Thereafter, such shareholder is required to present the Company with a receipt of the request of the notice in accordance with the Company's Share Handling Regulations. Under the Book-entry Transfer Law, the shareholder shall exercise such shareholders' right within four weeks after the notice above has been given.

Non-resident shareholders are required to appoint a standing proxy in Japan or provide a mailing address in Japan. Each such shareholder must give notice of such standing proxy or mailing address to the relevant account management institution. Such notice will be forwarded to the Company through JASDEC. Japanese securities companies and commercial banks customarily act as standing proxies and provide related services for standard fees. Notices from the Company to non-resident shareholders are delivered to such standing

proxies or mailing addresses.

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The registered holder of deposited shares underlying the American Depositary Shares (ADSs) is the Depositary for the ADSs. Accordingly, holders of ADSs will not be able to directly assert shareholders' rights against the Company.

Authorized capital

Article 6 of the Articles of Incorporation of the Company provides that the total number of shares authorized to be issued by the Company is four billion nine hundred and fifty million (4,950,000,000) shares.

As of March 31, 2012, 2,453,053,497 shares of Common Stock were issued. All shares of Common Stock of the Company have no par value. All issued shares of the Company are fully-paid and non-assessable.

Distribution of Surplus

Distribution of Surplus – General

Under the Company Law, dividends shall be paid by way of distribution of Surplus ("Surplus" is defined in "– Restriction on Distributions of Surplus") in cash or in kind.

The Company may make distributions of Surplus to the shareholders any number of times per business year, subject to certain limitations described in "– Restriction on Distributions of Surplus." Distributions of Surplus need, in principle, to be declared by a resolution of a general meeting of shareholders, but the Company may also authorize distributions of Surplus by a resolution of the Board of Directors as long as its non-consolidated annual financial statements for the last business year fairly present its assets and profit or loss, as required by ordinances of the Ministry of Justice.

Distributions of Surplus may be made in cash or in kind in proportion to the number of shares of Common Stock of the Company held by respective shareholders. A resolution of a general meeting of shareholders or the Board of Directors, as the case may be, authorizing a distribution of Surplus must specify the kind and aggregate book value of the assets to be distributed, the manner of allocation of such assets to shareholders, and the effective date of the distribution. If a distribution of Surplus is to be made in kind, the Company may, pursuant to a resolution of a general meeting of shareholders or the Board of Directors, as the case may be, grant a right to the shareholders to require the Company to make such distribution in cash instead of in kind. If no such right is granted to shareholders, the relevant distribution of Surplus must be approved by a special resolution of a general meeting of shareholders (see "Voting Rights" with respect to a "special resolution").

Under the Company's Articles of Incorporation, year-end dividends and interim dividends may be distributed to shareholders appearing in the Company's register of shareholders as of March 31 and September 30 each year respectively, in proportion to the number of shares of Common Stock of the Company held by respective shareholders following approval by the general meeting of shareholders or the Board of Directors. The Company is not obliged to pay any dividends in cash which have not been received within three years from the commencement of payment thereof. In Japan, the ex-dividend date and the record date for dividends precede the date when the amount of the dividends to be paid is determined by the Company. The shares of common stock generally go ex-dividend on the second business day prior to the record date for dividends.

Distribution of Surplus – Restriction on Distributions of Surplus

In making a distribution of Surplus, the Company must, until the sum of its additional paid-in capital and legal reserve reaches one-quarter of its stated capital, set aside to its additional paid-in capital and/or legal reserve an amount equal to one-tenth of the amount of Surplus so distributed.

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The amount of Surplus at any given time must be calculated in accordance with the following formula:

A + B + C + D – (E + F + G)

In the above formula:

"A"= the total amount of other capital surplus and other retained earnings, each such amount being that appearing on the non-consolidated balance sheet as of the end of the last business year

"B"= (if the Company has disposed of its treasury stock after the end of the last business year) the amount of the consideration for such treasury stock received by the Company less the book value thereof

"C"= (if the Company has reduced its stated capital after the end of the last business year) the amount of such reduction less the portion thereof that has been transferred to additional paid-in capital or legal reserve (if any)

"D"= (if the Company has reduced its additional paid-in capital or legal reserve after the end of the last business year) the amount of such reduction less the portion thereof that has been transferred to stated capital (if any)

"E"= (if the Company has cancelled its treasury stock after the end of the last business year) the book value of such treasury stock

"F"= (if the Company has distributed Surplus to its shareholders after the end of the last business year) the total book value of the Surplus so distributed

"G"= certain other amounts set forth in ordinances of the Ministry of Justice, including (if the Company has reduced Surplus and thereby increased its stated capital, additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction and (if the Company has distributed Surplus to the shareholders after the end of the last business year) the amount set aside from such Surplus to additional paid-in capital or legal reserve (if any) as required by ordinances of the Ministry of Justice.

The aggregate book value of Surplus to be distributed by the Company may not exceed a prescribed distributable amount (the "Distributable Amount"), as calculated on the effective date of such distribution. The Distributable Amount at any given time shall be equal to the amount of Surplus less the aggregate of the followings:

(a) the book value of its treasury stock;

(b) the amount of consideration for any of treasury stock disposed of by the Company after the end of the last business year; and

(c) certain other amounts set forth in ordinances of the Ministry of Justice, including (if the sum of one-half of goodwill and the deferred assets exceeds the total of stated capital, additional paid-in capital and legal reserve, each such amount being that appearing on the non-consolidated balance sheet as of the end of the last business year) all or certain part of such exceeding amount as calculated in accordance with the ordinances of the Ministry of Justice.

The Company, for the fiscal year ended March 31, 2012, elected to become a company with respect to which consolidated balance sheets should be considered in the calculation of the Distributable Amount (renketsu haito kisei tekiyo kaisha) as described below. If a company has become at its option a company with respect to which consolidated balance sheets should also be considered in the calculation of the Distributable Amount, a company shall, in calculating the Distributable Amount, further deduct from the amount of

Surplus the excess amount, if any, of (x) the total amount of stockholders' equity appearing on the non-consolidated balance sheet as of the end of the last business year and certain other amounts set forth by ordinances of the Ministry of Justice over (y) the total amount of stockholders' equity and certain other amounts set forth by ordinances of the Ministry of Justice appearing on the consolidated balance sheet as of the end of the last business year.

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If the Company has prepared interim financial statements as described below, and if such interim financial statements have been approved by the Board of Directors or, if so required by the Company Law, by a general meeting of shareholders, then the Distributable Amount must be adjusted to take into account the amount of profit or loss, and the amount of consideration for any of the treasury stock disposed of by the Company, during the period in respect of which such interim financial statements have been prepared. The Company may prepare non-consolidated interim financial statements consisting of a balance sheet as of any date subsequent to the end of the last business year and an income statement for the period from the first day of the current business year to the date of such balance sheet. Interim financial statements so prepared by the Company must be audited by the Corporate Auditors and the Accounting Auditor, as required by ordinances of the Ministry of Justice.

Stock splits

The Company may at any time split shares in issue into a greater number of shares by resolution of the Board of Directors, and may in principle amend its Articles of Incorporation to increase the number of authorized shares to be issued in proportion to the relevant stock split pursuant to a resolution of the Board of Directors rather than a special shareholders resolution (as defined in "Voting Rights") as is otherwise required for amending the Articles of Incorporation.

When a stock split is to be made, the Company must give public notice of the stock split, specifying the record date therefor, at least two weeks prior to such record date. Under the central book-entry transfer system operated by JASDEC, the Company must also give notice to JASDEC regarding a stock split at least two weeks prior to the relevant effective date. On the effective date of the stock split, the number of shares recorded in all accounts held by the Company's shareholders at account managing institutions or JASDEC will be increased in accordance with the applicable ratio.

Consolidation of shares

The Company may at any time consolidate shares in issue into a smaller number of shares by a special shareholders resolution (as defined in "–Voting Rights"). When a consolidation of shares is to be made, the Company must give public notice or notice to each shareholder at least two weeks prior to the effective date of the consolidation of shares. Under the central book-entry transfer system operated by JASDEC, the Company must also give notice to JASDEC regarding a consolidation of shares at least two weeks prior to the effective date of the consolidation of shares. On the effective date of the consolidation of shares, the number of shares recorded in all accounts held by the Company's shareholders at account managing institutions or JASDEC will be decreased in accordance with the applicable ratio. The Company must disclose the reason for the consolidation of shares at the general meeting of shareholders.

General meeting of shareholders

The ordinary general meeting of shareholders of the Company for each fiscal year is normally held in June in each year. In addition, the Company may hold an extraordinary general meeting of shareholders whenever necessary by giving notice of convocation thereof at least two weeks prior to the date set for the meeting.

Notice of convocation of a shareholders' meeting setting forth the place, time, purpose thereof and certain matters set forth in the Company Law and the ordinances of the Ministry of Justice, must be mailed to each shareholder having voting rights (or, in the case of a non-resident shareholder, to his or her standing proxy or mailing address in Japan) at least two weeks prior to the date set for the meeting. Under the Company Law, such notice may be given to shareholders by electronic means, subject to the consent of the relevant shareholders. The record date for exercising voting rights at the ordinary general meeting of shareholders is March 31 of each year.

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Any shareholder or group of shareholders of the Company holding at least three percent of the total number of voting rights for a period of six months or more may require the convocation of a general meeting of shareholders for a particular purpose by showing such a purpose and reason for convocation to a Representative Director. Unless such shareholders' meeting is convened promptly or a convocation notice of a meeting which is to be held not later than eight weeks from the day of such demand is dispatched, the requiring shareholder may, upon obtaining a court approval, convene such shareholders' meeting.

Any shareholder or group of shareholders of the Company holding at least 300 voting rights or one percent of the total number of voting rights for a period of six months or more may propose a matter to be considered at a general meeting of shareholders by showing such matter to a Representative Director at least eight weeks prior to the date of such meeting.

Under the Company Law, any of minimum percentages, time periods and number of voting rights necessary for exercising the minority shareholder rights described above may be decreased or shortened if the articles of incorporation of a joint stock corporation so provide.

Voting rights

So long as the Company maintains the unit share system (see "Item 10.B. Memorandum and Articles of Association – Common Stock – *Unit share system*" below; currently 100 shares constitute one unit) a holder of shares constituting one or more full units is entitled to one voting right per unit of shares subject to the limitations on voting rights set forth in the following two sentences. Any corporate or certain other entity, one-quarter or more of whose total voting rights are directly or indirectly owned by the Company, may not exercise its voting rights with respect to shares of Common Stock of the Company that it owns. In addition, the Company may not exercise its voting rights with respect to its shares that it owns. If the Company eliminates from its Articles of Incorporation the provisions relating to the unit of shares, holders of Common Stock will have one voting right for each share they hold. Except as otherwise provided by law or by the Articles of Incorporation, a resolution can be adopted at a general meeting of shareholders by a majority of the number of voting rights of all the shareholders entitled to exercise their voting rights represented at the meeting. The Company Law and the Company's Articles of Incorporation provide, however, that the quorum for the election of Directors and Corporate Auditors shall not be less than one-third of the total number of voting rights of all the shareholders entitled to exercise their voting rights. The Company's shareholders are not entitled to cumulative voting in the election of Directors. Shareholders may exercise their voting rights through proxies, provided that the proxies are also shareholders holding voting rights. The Company's shareholders also may cast their votes in writing, or exercise their voting rights by electronic means pursuant to the method designated by the Company.

The Company Law and the Company's Articles of Incorporation provide that in order to amend the Articles of Incorporation and in certain other instances, including:

(1) acquisition of its own shares from a specific party other than its subsidiaries;

(2) consolidation of shares;

(3) any offering of new shares or existing shares held by the Company as treasury stock at a "specially favorable" price (or any offering of stock acquisition rights to acquire shares of capital stock, or bonds with stock acquisition rights at "specially favorable" conditions) to any persons other than shareholders;

(4) the removal of a Corporate Auditor;

(5) the exemption of liability of a Director, Corporate Auditor or Accounting Auditor to a certain extent set forth in the Company Law;

(6) a reduction of stated capital with certain exceptions in which just a usual resolution of shareholders is required or a shareholders' resolution is not required;

(7) a distribution of in-kind dividends which meets certain qualifications;

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(8) dissolution, liquidation, merger, consolidation, or corporate split with certain exceptions in which a shareholders' resolution is not required;

(9) the transfer of the whole or a material part of the business;

(10) the taking over of the whole of the business of any other corporation with certain exceptions in which a shareholders' resolution is not required; or

(11) share exchange or share transfer for the purpose of establishing 100% parent-subsidiary relationships with certain exceptions in which a shareholders' resolution is not required;

the quorum shall be one-third of the total voting rights of all the shareholders and the approval by at least two-thirds of the voting rights of all the shareholders entitled to exercise their voting rights represented at the meeting is required (the "special shareholders resolutions").

Pursuant to the terms of the Amended and Restated Deposit Agreement relating to American Depositary Receipts (ADRs) evidencing ADSs, each ADS representing one share of Common Stock of the Company, as soon as practicable after receipt of notice of any meeting of shareholders of the Company, the Depositary (currently JPMorgan Chase Bank, N.A.) will mail to the record holders of ADRs a notice which will contain the information in the notice of the meeting. The record holders of ADRs on a date specified by the Depositary will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the shares of Common Stock of the Company represented by their ADSs. The Depositary will endeavor, in so far as practicable, to vote the number of shares of Common Stock of the Company represented by such ADSs in accordance with such instructions. In the absence of such instructions, the Depositary has agreed to give a discretionary proxy to a person designated by the Company to vote in favor of any proposals or recommendations of the Company. However, such proxy may not be given with respect to any matter which the Company informs the Depositary that the Company does not wish such proxy given, or for any proposal that has, in the discretion of the Depositary, a materially adverse effect on the rights of shareholders of the Company.

Issue of additional shares

Holders of the Company's shares of Common Stock have no pre-emptive rights under the Company Law. Authorized but unissued shares may be issued at such times and upon such terms as the Board of Directors determines, subject to the limitations as to the offering of new shares at a "specially favorable" price mentioned under "Voting rights" above. In the case of an issuance or transfer of the Company's shares of Common Stock or stock acquisition rights by way of an allotment to a third party which would dilute the outstanding voting shares by 25% or more or change the controlling shareholder, in addition to a resolution of the Board of Directors, the approval of the shareholders or an affirmative opinion from a person independent of our management is generally required pursuant to the regulations of the Japanese stock exchanges. The Board of Directors may, however, determine that shareholders shall be given subscription rights regarding a particular issue of new shares, in which case such rights must be given on uniform terms to all shareholders as at a record date at least two weeks prior to which public notice must be given. Each of the shareholders to whom such rights are given must also be given notice of the expiry thereof at least two weeks prior to the date on which such rights expire.

Subject to certain conditions, the Company may issue stock acquisition rights or bonds with stock acquisition rights by a resolution of the Board of Directors. Holders of stock acquisition rights may exercise their rights to acquire a certain number of shares within the exercise period as prescribed in the terms of their stock acquisition rights. Upon the exercise of stock acquisition rights, the Company will be obliged to issue the relevant number of new shares or alternatively to transfer the necessary number of treasury stock held by it. The Company may determine by a resolution of the Board of Directors at the time of offerings that a transfer of the stock acquisition rights shall require the approval of the Company. Whether the Company will

determine such a matter in future stock acquisition rights offerings will depend upon the circumstances at the time of such offerings.

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Liquidation rights

In the event of a liquidation of the Company, the assets remaining after payment of all debts and liquidation expenses and taxes will be distributed among shareholders in proportion to the respective numbers of shares of Common Stock held.

Record date

As mentioned above (see "Item 10.B. Memorandum and Articles of Association – Common Stock – *Distribution of Surplus – Distribution of Surplus – General*"), March 31 is the record date for the Company's year-end dividends. So long as the Company maintains the unit share system, the shareholders who are registered as the holders of one or more units of shares in the Company's registers of shareholders at the end of each March 31 are entitled to exercise shareholders' rights at the ordinary general meeting of shareholders with respect to the business year ending on such March 31. September 30 is the record date for interim dividends. In addition, the Company may set a record date for determining the shareholders entitled to other rights and for other purposes by giving at least two weeks' prior public notice. Under the Book-entry Transfer Law, JASDEC is required to give the Company a notice of the names and addresses of the shareholders, the number of shares held by them and other relevant information as of each such record date, and the Company's register of shareholders shall be updated accordingly.

The shares generally goes ex-dividends or ex-rights on Japanese stock exchanges on the second business day prior to a record date (or if the record date is not a business day, the third business day prior thereto), for the purpose of dividends or rights offerings.

Acquisition by the Company of its common stock

Under the Company Law and the Company's Articles of Incorporation, the Company may acquire its own shares of Common Stock (i) from a specific shareholder other than any of its subsidiaries (pursuant to a special shareholders resolution), (ii) from any of its subsidiaries (pursuant to a resolution of the Board of Directors), or (iii) by way of purchase on any Japanese stock exchange on which the Company's shares of Common Stock are listed or by way of tender offer (as long as its non-consolidated annual financial statements and certain documents for the last business year fairly present its asset and profit or loss status, as required by ordinances of the Ministry of Justice) (in either case pursuant to an ordinary resolution of a general meeting of shareholders or a resolution of the Board of Directors). In the case of (i) above, any other shareholder may make a request to the Company that such other shareholder be included as a seller in the proposed purchase, provided that no such right will be available if the purchase price or any other consideration to be received by the relevant specific shareholder will not exceed the last trading price of the shares on the relevant stock exchange on the day immediately preceding the date on which the resolution mentioned in (i) above was adopted (or, if there is no trading in the shares on the stock exchange or if the stock exchange is not open on such day, the price at which the shares are first traded on such stock exchange thereafter).

Shares acquired by the Company may be held for any period or may be cancelled by a resolution of the Board of Directors. The Company may also transfer such shares to any person, subject to a resolution of the Board of Directors and to other requirements similar to those applicable to the issuance of new shares, as described in "Issue of additional shares and pre-emptive rights" above. The Company may also utilize its treasury stock for the purpose of transfer to any person upon exercise of stock acquisition rights or for the purpose of acquiring another company by way of merger, share exchange or corporate split through exchange of treasury stock for shares or assets of the acquired company.

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Unit share system

The Articles of Incorporation of the Company provide that 100 shares constitute one unit of shares of Common Stock. Although the number of shares constituting one unit is included in the Articles of Incorporation, any amendment to the Articles of Incorporation reducing (but not increasing) the number of shares constituting one unit or eliminating the provisions for the unit of shares may be made by a resolution of the Board of Directors rather than by a special shareholders resolution, which is otherwise required for amending the Articles of Incorporation. The number of shares constituting one unit, however, cannot exceed 1,000 nor 0.5% of total number of issued shares.

Under the unit share system, shareholders shall have one voting right for each unit of shares that they hold. Any number of shares less than a full unit will carry no voting rights.

Under the central book-entry transfer system operated by JASDEC, shares constituting less than one unit are generally transferable. Under the rules of the Japanese stock exchanges, however, shares constituting less than one unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Japanese stock exchanges.

A holder of shares constituting less than one unit may require the Company to purchase such shares at their market value in accordance with the provisions of the Share Handling Regulations of the Company. In addition, the Articles of Incorporation of the Company provide that a holder of shares constituting less than one unit may request the Company to sell to such holder such amount of shares which will, when added together with the shares constituting less than one unit held by such holder, constitute one unit of stock, in accordance with the provisions of the Share Handling Regulations of the Company. As prescribed in the Share Handling Regulations, such requests shall be made through an account management institution and JASDEC pursuant to the rules set by JASDEC, without going through the notification procedure required for the exercise of shareholders' rights entitled regardless of record dates as described in "–General".

A holder who owns ADRs evidencing less than 100 ADSs will indirectly own less than one full unit of shares of Common Stock. Although, as discussed above, under the unit share system holders of less than one unit have the right to require the Company to purchase their shares or sell shares held by the Company to such holders, holders of ADRs evidencing ADSs that represent other than integral multiples of units are unable to withdraw the underlying shares of Common Stock representing less than one unit and, therefore, are unable, as a practical matter, to exercise the rights to require the Company to purchase such underlying shares or sell shares held by the Company to such holders. As a result, access to the Japanese markets by holders of ADRs through the withdrawal mechanism will not be available for dispositions of shares of Common Stock in lots less than one unit. The unit share system does not affect the transferability of ADSs, which may be transferred in lots of any size.

Sale by the Company of shares held by shareholders whose location is unknown

The Company is not required to send a notice to a shareholder if a notice to such shareholder fails to arrive at the registered address of the shareholder in the Company's register of shareholders or at the address otherwise notified to the Company continuously for five years or more.

In addition, the Company may sell or otherwise dispose of shares of Common Stock for which the location of the shareholder is unknown. Generally, if (i) notices to a shareholder fail to arrive continuously for five years or more at the shareholder's registered address in the Company's register of shareholders or at the address otherwise notified to the Company, and (ii) the shareholder fails to receive distribution of Surplus on the shares continuously for five years or more at the address registered in the Company's register of shareholders or at the address otherwise notified to the Company, the Company may sell or otherwise dispose of the shareholder's shares by a resolution of the Board of Directors and after giving at least three months' prior public and individual notice, and hold or deposit the proceeds of such sale or disposal of shares at the then

market price of the shares for the shareholder, the location of which is unknown.

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Reporting of substantial shareholdings, etc.

The Financial Instruments and Exchange Law of Japan and regulations thereunder requires any person, regardless of his/her residence, who has become, beneficially and solely or jointly, a holder of more than five percent of the total issued shares with voting rights of common stock of a company listed on any Japanese stock exchange or whose shares are traded on the over-the-counter market in Japan, to file with the Director-General of a competent Local Finance Bureau of Ministry of Finance within five business days a report concerning such shareholdings.

A similar report must also be filed in respect to any subsequent change of one percent or more in any such holding or any change in material matters set out in reports previously filed, with certain exceptions. For this purpose, shares issuable to such person upon conversion of convertible securities or exercise of share subscription warrants or stock acquisition rights are taken into account in determining both the number of shares with voting rights held by such holder and the issuer's total issued share capital. Any such report shall be filed with the Director General of the relevant Finance Bureau of the Ministry of Finance through the Electronic Disclosure for Investors' Network (EDINET) system. Copies of such report must also be furnished to the issuer of such shares.

Except for the general limitations under Japanese anti-trust and anti-monopoly regulations on holding shares of common stock of a Japanese corporation which leads or may lead to a restraint of trade or a monopoly, except for the limitations under the Foreign Exchange Regulations as described in "D. Exchange Controls" below, and except for general limitations under the Company Law or the Company's Articles of Incorporation on the rights of shareholders applicable regardless of residence or nationality, there is practically no limitation under Japanese laws and regulations applicable to the Company or under its Articles of Incorporation on the rights of non-resident or foreign shareholders to hold the shares of Common Stock of the Company or exercise voting rights thereon.

There is no provision in the Company's Articles of Incorporation that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to merger, consolidation, acquisition or corporate restructuring involving the Company. However, the Board of Directors resolved to adopt the ESV Plan which provides certain rules which a Large-scale Purchaser who intends to acquire 20% or more of all voting rights of the Company must comply with. (For details, please see "(4) Initiatives to Maximize Shareholder Value" in Section A of Item 8.)

Daily price fluctuation limits under Japanese stock exchange rules

Stock prices on Japanese stock exchanges are determined on a real-time basis by the balance between bids and offers. These stock exchanges are order-driven markets without specialists or market makers to guide price formation. In order to prevent excessive volatility, these stock exchanges set daily upward and downward price range limitations for each listed stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit on these stock exchanges may not be able to effect a sale at such price on a particular trading day, or at all.

C. Material Contracts

Except as described elsewhere in this Annual Report, all contracts concluded by the Company during the two years preceding the date of this annual report were entered into in the ordinary course of business.

D. Exchange Controls

The Foreign Exchange and Foreign Trade Law of Japan and its related cabinet orders and ministerial ordinances (the "Foreign Exchange Regulations") govern the acquisition and holding of shares of Common

Stock of the Company by "exchange non-residents" and by "foreign investors." The Foreign Exchange Regulations currently in effect may affect transactions between exchange non-residents to purchase or sell shares in certain circumstances, even if such transactions are being made outside Japan using currencies other than the Japanese yen.

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Exchange non-residents are:

(i) individuals who do not reside in Japan; and

(ii) corporations whose principal offices are located outside Japan.

Generally, branches and other offices of non-resident corporations that are located within Japan are regarded as residents of Japan. Conversely, branches and other offices of Japanese corporations located outside Japan are regarded as exchange non-residents.

Foreign investors are:

(i) individuals who are exchange non-residents;

(ii) corporations that are organized under the laws of foreign countries or whose principal offices are located outside of Japan; and

(iii) corporations (1) of which 50% or more of their shares are held by individuals who are exchange non-residents and/or corporations (a) that are organized under the laws of foreign countries or (b) whose principal offices are located outside of Japan or (2) a majority of whose officers, or officers having the power of representation, are individuals who are exchange non-residents.

In general, the acquisition of shares of a Japanese company (such as the shares of Common Stock of the Company) by an exchange non-resident from a resident of Japan is not subject to any prior filing requirements. In certain circumstances, however, the Minister of Finance may require prior approval of an acquisition of this type. While prior approval, as described above, is not required, in the case where a resident of Japan transfers shares of a Japanese company (such as the shares of Common Stock of the Company) for consideration exceeding 100 million yen to an exchange non-resident, the resident of Japan who transfers the shares is required to report the transfer to the Minister of Finance through the Bank of Japan within 20 days from the date of the transfer or the date of the receipt of payment, whichever comes later, unless the transfer was made through a bank or financial instruments business operator licensed or registered under Japanese law.

If a foreign investor acquires shares of a Japanese company that is listed on a Japanese stock exchange (such as the shares of Common Stock of the Company) or that is traded on an over-the-counter market in Japan and, as a result of the acquisition, the foreign investor, in combination with any existing holdings, directly or indirectly holds 10% or more of the issued shares of the relevant company, the foreign investor must file a report of the acquisition with the Minister of Finance and any other competent Ministers having jurisdiction over that Japanese company on or before the 15th day of the month following the month in which such acquisition was made. However, in certain circumstances, such as where a business of a Japanese company falls under any business related to the national security of Japan or to maintenance of public safety, etc. which is listed in a schedule included in the Foreign Exchange Regulations, or where the foreign investor is in a country that is not listed in an exemption schedule included in the Foreign Exchange Regulations, a prior notification of the acquisition must be filed with, and the proposed acquisition must be subject to an examination process by, the Minister of Finance and any other competent Ministers, who may then modify or prohibit the proposed acquisition. In such circumstances, the foreign investor must wait until the examination process is completed, which ordinarily takes 30 days after the filing in principle although such waiting period may be shortened or extended to up to 5 months. The Company believes that certain businesses of the Company fall under businesses listed in the above-mentioned schedule in the Foreign Exchange Regulation, and thus, a foreign investor must file a prior notification of the acquisition with, and must be subject to an examination process by, the Minister of Finance and any other competent Ministers.

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Under the Foreign Exchange Regulations, dividends paid on and the proceeds from the sale in Japan of shares of Common Stock of the Company held by non-residents of Japan may generally be converted into any foreign currency and repatriated abroad.

E. Taxation

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the ownership and disposition of shares of Common Stock and ADSs. Prospective purchasers and holders of the shares of Common Stock or ADSs should consult their own tax advisors concerning the tax consequences of their particular situations.

The following is a summary of the material Japanese national and U.S. federal tax consequences of the ownership and disposition of shares of Common Stock or ADSs by an Eligible U.S. Holder and a U.S. Holder (each as defined below), as the case may be, that holds those shares or ADSs as capital assets (generally, property held for investment). This summary does not purport to address all material tax consequences that may be relevant to holders of shares of Common Stock or ADSs, and does not take into account the specific circumstances of any particular investors, some of which (such as tax-exempt entities, banks, insurance companies, broker-dealers, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, regulated investment companies, real estate investment trusts, investors liable for alternative minimum tax, investors that own or are treated as owning 10% or more of the Company's voting stock, investors that hold shares of Common Stock or ADSs as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction, investors that purchase or sell shares of Common Stock or ADSs as part of a wash sale for tax purposes, investors that hold shares of Common Stock or ADSs through a partnership or other pass-through entity and investors whose functional currency is not the U.S. dollar) may be subject to special tax rules. This summary is based on the national or federal tax laws of Japan and of the United States as in effect on the date hereof, as well as on the current income tax convention between the United States and Japan (the "Treaty"), all of which are subject to change (possibly with retroactive effect) and to differing interpretations

In addition, this summary is based in part upon the representations of the Depositary and the assumption that each obligation in the Deposit Agreement for ADSs and in any related agreement will be performed in accordance with its terms.

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of shares of Common Stock or ADSs that, for U.S. federal income tax purposes, is:

(i) a citizen or individual resident of the United States;

(ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes organized in or under the laws of the United States, any State, or the District of Columbia;

(iii) an estate the income of which is subject to U.S. federal income tax without regard to its source; or

(iv) a trust that is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons, or that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

An "Eligible U.S. Holder" is a U.S. Holder that:

(i) is a resident of the United States for purposes of the Treaty;

(ii) does not maintain a permanent establishment in Japan (a) with which shares of Common Stock or ADSs are effectively connected or (b) of which shares of Common Stock or ADSs form part of the business property; and

(iii) is eligible for benefits under the Treaty, with respect to income and gain derived in connection with the shares of Common Stock or ADSs.

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This summary does not address any aspects of U.S. federal tax law other than income taxation, and does not discuss any aspects of Japanese tax law other than national income taxation, inheritance and gift taxation. Investors are urged to consult their tax advisors regarding the U.S. federal, state and local and Japanese and other tax consequences of owning and disposing of shares of Common Stock or ADSs. In particular, where relevant, investors are urged to confirm their status as Eligible U.S. Holders with their tax advisors and to discuss with their tax advisors any possible consequences of their failure to qualify as Eligible U.S. Holders. In general, taking into account the earlier assumption, for purposes of the Treaty and for U.S. federal income and Japanese income tax purposes, beneficial owners of ADRs evidencing ADSs will be treated as the owners of the shares of Common Stock represented by those ADSs, and exchanges of shares of Common Stock for ADRs, and exchanges of ADRs for shares of Common Stock, will not be subject to U.S. federal income tax or Japanese income tax.

Japanese taxation

The following is a summary of the principal Japanese tax consequences (limited to national taxes) to nonresidents of Japan or non-Japanese corporations without permanent establishments in Japan ("non-resident Holders") who are holders of shares of Common Stock of the Company or of ADRs evidencing ADSs representing shares of Common Stock of the Company. The information given below regarding Japanese taxation is based on the tax laws and tax treaties in force and their interpretations by the Japanese tax authorities as of the date of this annual report. Tax laws and tax treaties as well as their interpretations may change at any time, possibly with retroactive effect. We will not update this summary for any changes in the tax laws or tax treaties or their interpretation that occurs after the date of this annual report.

Generally, non-resident Holders are subject to Japanese withholding tax on dividends paid by a Japanese corporation. Such taxes are withheld prior to payment of dividends as required by Japanese law. Stock splits in themselves generally are not subject to Japanese income tax.

In the absence of an applicable tax treaty, convention or agreement reducing the maximum rate of Japanese withholding tax or allowing exemption from Japanese withholding tax, the rate of Japanese withholding tax applicable to dividends paid by Japanese corporations to non-resident Holders is 20% (20.42%, on or after January 1, 2013). However, with respect to dividends paid on listed shares issued by a Japanese corporation (such as the shares of Common Stock of the Company or ADSs) to non-resident Holders, except for any individual shareholder who holds 3% or more of the total issued shares of the relevant Japanese corporation, the aforementioned 20% (20.42%, on or after January 1, 2013) withholding tax rate is reduced to (i) 7% for dividends due and payable on or before December 31, 2012, (ii) 7.147% for dividends due and payable on or after January 1, 2013 but on or before December 31, 2013 and (iii) 15.315% for dividends due and payable on or after January 1, 2014. Due to the imposition of a special additional withholding tax (2.1% of the original withholding tax amount) to secure funds for reconstruction from the Great East Japan Earthquake, the original withholding tax rate of 7%, 15% and 20%, as applicable, will be effectively increased, respectively, to 7.147%, 15.315% and 20.42%, during the period beginning on January 1, 2013 and ending on December 31, 2037. At the date of this annual report, Japan has income tax treaties, conventions or agreements in force, whereby the above-mentioned withholding tax rate is reduced, in most cases to 15% or 10% for portfolio investors (15% under the income tax treaties with, among other countries, Belgium, Canada, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Singapore, Spain and Sweden, and 10% under the income tax treaties with Australia, France, Hong Kong, the Netherlands, Switzerland, the U.K. and the United States.)

Under the Treaty, the maximum rate of Japanese withholding tax which may be imposed on dividends paid by a Japanese corporation to an Eligible U.S. Holder that is a portfolio investor is generally limited to 10% of the gross amount actually distributed, and dividends paid by a Japanese corporation to an Eligible U.S. Holder that is a pension fund are exempt from Japanese income taxation by way of withholding or otherwise unless such dividends are derived from the carrying on of a business, directly or indirectly, by such pension

fund.

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If the maximum tax rate provided for in the income tax treaty applicable to dividends paid by the Company to any particular non-resident Holder is lower than the withholding tax rate otherwise applicable under Japanese tax law, or if any particular non-resident Holder is exempt from Japanese income tax with respect to such dividends under the income tax treaty applicable to such particular non-resident Holder, such non-resident Holder of the Company's shares of Common Stock who is entitled to a reduced rate of or exemption from Japanese withholding tax on payment of dividends is required to submit an Application Form for Income Tax Convention Regarding Relief from Japanese Income Tax on Dividends in advance through the withholding agent to the relevant tax authority before such payment of dividends. A standing proxy for non-resident Holders of a Japanese corporation may provide this application service. With respect to ADSs, this reduced rate or exemption is applicable if the Depositary or its agent submits two Application Forms (one before payment of dividends, the other within eight months after the record date concerning such payment of dividends) together with certain other documents to the Japanese tax authorities. To claim this reduced rate or exemption, any relevant non-resident Holder of ADSs will be required to file a proof of taxpayer status, residence and beneficial ownership (as applicable) and to provide other information or documents as may be required by the Depositary. A non-resident Holder who is entitled, under an applicable income tax treaty, to a reduced treaty rate lower than the withholding tax rate otherwise applicable under Japanese tax law or an exemption from the withholding tax, but failed to submit the required application in advance will be entitled to claim the refund of withholding taxes withheld in excess of the rate under an applicable tax treaty (if such non-resident Holder is entitled to a reduced treaty rate under the applicable income tax treaty) or the whole of the withholding tax withheld (if such non-resident Holder is entitled to an exemption under the applicable income tax treaty) from the relevant Japanese tax authority, by complying with a certain subsequent filing procedure. The Company does not assume any responsibility to ensure withholding at the reduced treaty rate or not withholding for shareholders who would be so eligible under an applicable tax treaty but where the required procedures as stated above are not followed.

Gains derived from the sale of shares of Common Stock or ADSs outside Japan by a non-resident Holder holding such shares or ADSs as a portfolio investor are, in general, not subject to Japanese income or corporation tax under Japanese tax law. Eligible U.S. Holders are not subject to Japanese income or corporation tax with respect to such gains under the Treaty, subject to a certain filing requirement under Japanese law.

Japanese inheritance tax and gift tax at progressive rates may be payable by an individual who has acquired from an individual shares of Common Stock or ADSs as a legatee, heir or donee even though neither the acquiring individual nor the deceased nor donor is a Japanese resident.

Holders of shares of Common Stock of the Company or ADSs should consult their tax advisors regarding the effect of these taxes and, in the case of U.S. Holders, the possible application of the Estate and Gift Tax Treaty between the U.S. and Japan.

U.S. federal income taxation

The following is a summary of certain United States federal income tax consequences of the ownership of shares of Common Stock or ADSs by a U.S. Holder. This summary is based on United States tax laws, including the United States Internal Revenue Code of 1986, as amended, and on the Treaty all of which are subject to change possibly with retroactive effect.

This summary is not a comprehensive description of all the tax considerations that may be relevant with respect to a U.S. holder's shares or ADSs. Each beneficial owner of shares or ADSs should consult its own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of shares and ADSs in its particular circumstances.

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Taxation of dividends

Under the United States federal income tax laws, and subject to the passive foreign investment company (PFIC) rules discussed below, the gross amount of any dividends received by a U.S. Holder (before reduction for Japanese withholding taxes) to the extent paid out of the Company's current or accumulated earnings and profits (as determined for United States federal income tax purposes) will be subject to U.S. federal taxation. Dividends paid to non-corporate U.S. Holders in taxable years beginning before January 1, 2013 that constitute qualified dividend income will be taxable at a maximum tax rate of 15% provided that the U.S. Holders held the shares of Common Stock or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends the Company pays with respect to the shares of Common Stock or ADSs generally will be qualified dividend income. The U.S. Holder must include any Japanese tax withheld from the dividend payment in this gross amount even though it does not in fact receive it. The dividend is taxable to the U.S. Holder when the U.S. Holder, in the case of shares of Common Stock, or the Depositary, in the case of ADSs, receives the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend the U.S. Holder must include in its income will be the U.S. dollar value of the Japanese yen payments made, determined at the spot Japanese yen/U.S. dollar rate on the date the dividend is includible in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. Holder includes the dividend payment in income to the date the U.S. Holder converts the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the shares of Common Stock or ADSs and thereafter as capital gain.

Subject to certain limitations, the Japanese tax withheld in accordance with the Treaty and paid over to Japan will be creditable against the U.S. Holder's United States federal income tax liability or deductible from the U.S. Holder's gross income. To the extent a refund of the tax withheld is available to you under Japanese law or under the Treaty, the amount of tax that is refundable will not be eligible for credit against your United States federal income tax liability. Please see "Japanese Taxation", above, for the procedures for obtaining a reduced rate of withholding under the Treaty or a tax refund. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate. For foreign tax credit limitation purposes, the dividend will be income from sources outside the United States and will, depending on the U.S. Holder's circumstances, be either "passive income" or "general income" for purposes of computing the foreign tax credit allowable to a U.S. Holder.

Taxation of capital gains

Subject to the PFIC rules discussed below, upon a sale or other disposition of shares of Common Stock or ADSs, a U.S. Holder will recognize gain or loss in an amount equal to the difference between the U.S. dollar value of the amount realized and the U.S. Holder's tax basis (determined in U.S. dollars) in such shares of Common Stock or ADSs. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for such shares of Common Stock or ADSs is greater than 1 year. Long-term capital gain of a non-corporate U.S. Holder is generally taxed at a maximum rate of 15%. Any such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Sales of shares of Common Stock to the Company

A sale of shares of Common Stock or ADSs to the Company results in a deemed dividend for Japanese tax purposes to the selling shareholders to the extent that the sales price exceeds the aggregate of the stated capital and the capital surplus attributable to the shares sold. Deemed dividends that may result from sales of shares of Common Stock to the Company are not generally taxable events that give rise to foreign source income for U.S. federal income tax purposes and U.S. Holders may not be able to use any foreign tax credit arising from Japanese withholding tax imposed on such transactions unless they can apply any such credit (subject to limitations) against U.S. tax due on other foreign source income in the appropriate category for foreign tax credit purposes.

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Passive foreign investment company considerations

The Company believes that shares of Common Stock and ADSs should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination made annually and thus may be subject to change. If the Company were to be treated as a PFIC (unless a U.S. Holder elects to be taxed annually on a mark-to-market basis with respect to the shares of Common Stock or ADSs), gain realized on the sale or other disposition of shares of Common Stock or ADSs would in general not be treated as capital gain, and a U.S. Holder would be treated as if such holder had realized such gain and certain "excess distributions" ratably over the holder's holding period for the shares of Common Stock or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, shares of Common stock or ADSs will be treated as stock in a PFIC if the Company were a PFIC at any time during the U.S. Holder's holding period in the shares of Common Stock or ADSs.

Dividends that such U.S. Holder receives from the Company will not be eligible for the special tax rates applicable to qualified dividend income if the Company is treated as a PFIC with respect to such U.S. Holder either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

F. Dividends and Paying Agents

Not applicable

G. Statement by Experts

Not applicable

H. Documents on Display

According to the Securities Exchange Act of 1934, as amended, the Company is subject to the requirements of informational disclosure. The Company files various reports and other information, including its annual report on Form 20-F, with the U.S. Securities and Exchange Commission. These reports and other information may be inspected at the public reference room at the Securities and Exchange Commission, 100 F Street, N.E., Washington D.C. 20549. You can also obtain a copy of such material by mail from the public reference room of the Securities and Exchange Commission at prescribed fees. You may obtain information on the operation of the Securities and Exchange Commission public reference room by calling the Securities and Exchange Commission in the United States at 1-800-SEC-0330.

Also, documents filed via the Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) are available at the website of the U.S. Securities and Exchange Commission (http://www.sec.gov).

I. Subsidiary Information

Not applicable

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Item 11. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk, including changes of foreign exchange rates, interest rates and prices of marketable securities and commodities. In order to hedge the risks of changes in foreign exchange rates, interest rates and commodity prices, the Company uses derivative financial instruments. The Company does not hold or issue financial instruments for trading purposes. Although the use of derivative financial instruments exposes the Company to the risk of credit-related losses in the event of nonperformance by counterparties, the Company believes that such risk is minor because of the high credit rating of the counterparties.

Equity Price Risk

The Company holds available-for-sale securities included in short-term investments and investments and advances. In general, highly-liquid and low risk instruments are preferred in the portfolio. Available-for-sale securities included in investments and advances are held as longer term investments. The Company does not hold marketable securities for trading purposes.

Maturities of investments in available-for-sale securities at March 31, 2012 and 2011 are as follows:

	Yen (millions)			
	2012		2011	
	Cost	Fair value	Cost	Fair value
Due within one year	473	483	—	—
Due after one year through five years	1,769	1,821	2,686	2,747
Equity securities	171,412	225,433	250,400	313,813
Total	173,654	227,737	253,086	316,560

Foreign Exchange Risk

The primary purpose of the Company's foreign currency hedging activities is to protect against the volatility associated with foreign currency transactions. The Company primarily utilizes forward exchange contracts and options with a duration of less than a few months. The Company also enters into foreign exchange contracts from time to time to hedge the risk of fluctuation in foreign currency exchange rates associated with long-term debt that is denominated in foreign currencies. Foreign exchange contracts related to such long-term debt have the same maturity as the underlying debt.

The following table provides the contract amounts and fair values of foreign exchange contracts, primarily hedging U.S. dollar and euro revenues, at March 31, 2012 and 2011. Amounts related to foreign exchange contracts entered into in connection with long-term debt denominated in foreign currencies which eliminate all foreign currency exposures, are shown in the table of "Interest Rate Risk."

	Yen (millions)			
	2012		2011	
	Contract amount	Fair value	Contract amount	Fair value
Forward:				
To sell foreign currencies	339,271	(9,385)	397,580	(3,116)
To buy foreign currencies	376,075	4,482	225,444	(2,835)

Cross currency swaps	123,586	304	47,668	(462)
Interest rate swaps	—	—	31,170	0

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Commodity Price Risk

The Company is exposed to market risk of changes in prices of commodities including various non-ferrous metals used in the manufacturing of various products. The Company enters into commodity future contracts to offset such exposure.

The following table provides the contract amounts and fair values of commodity futures at March 31, 2012 and 2011.

	Yen (millions)			
	2012		2011	
	Contract amount	Fair value	Contract amount	Fair value
Commodity futures:				
To sell commodity	156,458	(981)	128,411	(5,333)
To buy commodity	170,101	2,349	160,483	20,390

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Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates principally to its debt obligations. The Company has long-term debt primarily with fixed rates. Fixed-rate debt obligations expose the Company to variability in their fair values due to changes in interest rates. To manage the variability in the fair values caused by interest rate changes, the Company enters into interest rate swaps when it is determined to be appropriate based on market conditions. Interest rate swaps change fixed-rate debt obligations to variable-rate debt obligations by entering into fixed-receiving, variable-paying interest rate swap contracts. The hedging relationship between interest rate swaps and hedged debt obligations is highly effective in achieving offsetting changes in fair values resulting from interest rate risk. The following tables provide information about the Company's financial instruments that are sensitive to changes in interest rates at March 31, 2012 and 2011. For debt obligations, the table presents principal cash flows by expected maturity dates, related weighted average interest rates and fair values of financial instruments.

Long-term debt, including current portion*:

		Yen (millions)							
		Carrying amount and maturity date (as of March 31, 2012)							
	Average interest rate	Total	2013	2014	2015	2016	2017	There-after	Fair value
Unsecured Straight bonds	1.1%	931,765	150,000	230,000	31,769	239,996		280,000	952,120
Unsecured bank loans	1.0%	149,814	48,885	41,874	58,649	389	17		147,934
Secured bank loans by subsidiaries	1.8%	1,732		269	142	146	151	1,024	1,732
Total		1,083,311	198,885	272,143	90,560	240,531	168	281,024	1,101,786

		Yen (millions)							
		Carrying amount and maturity date (as of March 31, 2011)							
	Average interest rate	Total	2012	2013	2014	2015	2016	There-after	Fair value
Unsecured Straight bonds	1.1%	1,000,000	200,000	150,000	200,000		200,000	250,000	1,011,955
Unsecured Straight bonds issued by subsidiaries	1.6%	162,407	30,493	150	30,000	31,769	39,995	30,000	164,696
Unsecured bank loans	1.1%	259,801	108,603	49,961	42,190	58,650	397		257,950
Secured bank loans by subsidiaries	1.9%	3,473	614	309	847	168	176	1,359	3,473
Total		1,425,681	339,710	200,420	273,037	90,587	240,568	281,359	1,438,074

* Unsecured straight bonds as of March 31, 2012 include bonds, originally issued by PEW or SANYO and transferred to the Company in fiscal 2012.

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Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable

B. Warrants and Rights

Not applicable

C. Other Securities

Not applicable

D. American Depositary Shares

D3. Fees and Charges Payable by ADR Holders

Our American Depositary Shares (ADSs) are traded on the New York Stock Exchange under the symbol "PC." The ADSs are evidenced by American Depositary Receipts (ADRs), issued by JPMorgan Chase Bank, N.A. The following table shows the fees and charges that a holder of our ADRs may have to pay to the Depositary, either directly or indirectly:

Category	Depositary Actions	Associated Fee
(a) Depositing or substituting the underlying shares	Each person to whom ADRs are issued against deposits of Shares, including deposits and issuances in respect of: - Share distributions, stock split, rights, merger. - Exchange of securities or any other transaction or event or other distribution affecting the ADSs or the Deposited Securities.	US$ 5.00 for each 100 ADSs (or portion thereof) evidenced by the new ADRs delivered.
(c) Selling or exercising rights	Distribution or sale of securities, the fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities.	US$ 5.00 for each 100 ADSs (or portion thereof)
(d) Withdrawing an underlying security	Acceptance of ADRs surrendered for withdrawal of deposited securities.	US$ 5.00 for each 100 ADSs (or portion thereof) evidenced by the ADRs surrendered.
(e) Transferring, splitting or grouping receipts	Transfers, combining or grouping of depositary receipts.	US$ 2.50 per ADR Certificate
(g) Expenses of the	Expenses incurred on behalf of	Expenses payable at the sole

depositary	Holders in connection with. - Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment. - The depositary's or its custodian's compliance with applicable law, rule or regulation. - Stock transfer or other taxes and other governmental charges. - Cable, telex, facsimile transmission/delivery. - Expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars (which are paid out of such foreign currency). - Any other charge payable by depositary or its agents.	discretion of the depositary by billing Holders or by deducting charges from one or more cash dividends or other cash distributions.

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D4. Fees and Other Payment Made by the Depositary to the Issuer

The following table shows the fees and other direct and indirect payments made by JPMorgan Chase Bank, N.A., as Depositary to us:

Category of Expenses	Amount Reimbursed for fiscal 2012
New York Stock Exchange Listing fees	US$ 38,000

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PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of its principal executive and principal financial officers, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the U.S. Securities Exchange Act of 1934) as of March 31, 2012. Based on that evaluation, the Company's principal executive and principal financial officers concluded that the Company's disclosure controls and procedures were effective as of that date.

Management's Report on Internal Control Over Financial Reporting

Panasonic's management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

(i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with policies or procedures may deteriorate.

The management of the Company, with the participation of the Company's principal executive and principal financial officers, conducted an evaluation of the effectiveness of internal control over financial reporting as of March 31, 2012 based on the frame work in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the assessment, the management of the Company concluded that the internal control over financial reporting of the Company was effective as of March 31, 2012.

The Company's independent registered public accounting firm, KPMG AZSA LLC, has audited the effectiveness of the Company's internal control over financial reporting as stated in their report which is included herein.

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Evaluation of Changes in Internal Control Over Financial Reporting

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) under the U.S. Securities Exchange Act of 1934) occurred during the year ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

Panasonic's Board of Corporate Auditors has determined that Mr. Yoshihiro Furuta, a Senior Corporate Auditor of Panasonic, is an "audit committee financial expert" as such term is defined by Item 16A of Form 20-F. Mr. Furuta meets the independence requirements imposed on corporate auditors under the Company Law.

Item 16B. Code of Ethics

Panasonic has adopted a Code of Ethics applicable to the Chief Executive Officer, the Chief Financial Officer and other Executive Officers. The Code of Ethics is attached as an exhibit to the annual report for the fiscal year ended March 31, 2009 on Form 20-F.

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Item 16C. PrincipalAccountant Fees and Services

Fees and services by the Company's principal accountant

The following table shows the aggregate fees accrued or paid to KPMG AZSA LLC and its member firms (KPMG), the Company's principal accountant for the years ended March 31, 2012 and 2011:

	Yen (millions)	
	2012	**2011**
Audit fees	3,376	4,326
Audit-related fees	28	167
Tax fees	221	137
All other fees	215	20
Total	3,840	4,650

Audit fees are fees for professional services for the audit of the Company's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements. Audit-related fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under the Audit fees category, such as financial due diligence service. Tax fees are fees for professional services rendered mainly for tax compliance, tax advice, tax consulting associated with international transfer prices and expatriate employee tax services. All other fees are fees for those services not reported under the Audit fees, Audit-related fees, and Tax fees categories.

No services were provided for which pre-approval was waived pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Policy of the Company's Board of Corporate Auditors on pre-approval of audit or non-audit services

In accordance with paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X and the related adopting release of the U.S. Securities and Exchange Commission, the Company's Board of Corporate Auditors must pre-approve the engagement of the Company's principal accountant, currently KPMG AZSA LLC, by Panasonic or its subsidiaries to render audit or non-audit services. Also, paragraph (c)(4) of Rule 2-01 of Regulation S-X provides that an accountant is not independent from an audit client if the accountant provides certain non-audit services to the audit client. Under the policy adopted by the Company's Board of Corporate Auditors, all audit or non-audit services provided by KPMG AZSA LLC must be specifically pre-approved by the Board of Corporate Auditors. Such pre-approval is considered at the monthly meetings of the Board of Corporate Auditors. Any service that either falls into a category of services that are not permitted by the applicable law or regulation or is otherwise deemed by the Board of Corporate Auditors to be inconsistent with the maintenance of the principal accountant's independence is rejected. Management's requests for proposed engagement of the principal accountant to render services that require immediate approval, if considered necessary, are pre-approved by a designated member of the Board of Corporate Auditors, and then reported to the Board of Corporate Auditors at its next meeting.

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Item 16D. Exemptions from the Listing Standards for Audit Committees

With respect to the requirements of Rule 10A-3 under the Securities Exchange Act of 1934 relating to listed company audit committees, which apply to the Company through Section 303A.06 of the New York Stock Exchange's Listed Company Manual, the Company relies on an exemption provided by paragraph (c)(3) of that Rule available to foreign private issuers with boards of corporate auditors meeting certain requirements. For a New York Stock Exchange-listed Japanese company with a board of corporate auditors, the requirements for relying on paragraph (c)(3) of Rule 10A-3 are as follows:

- The board of corporate auditors must be established, and its members must be selected, pursuant to Japanese law expressly requiring such a board for Japanese companies that elect to have a corporate governance system with corporate auditors.
- Japanese law must and does require the board of corporate auditors to be separate from the board of directors.
- None of the members of the board of corporate auditors is elected by management, and none of the listed company's executive officers is a member of the board of corporate auditors.
- Japanese law must and does set forth standards for the independence of the members of the board of corporate auditors from the listed company or its management.
- The board of corporate auditors, in accordance with Japanese law or the listed company's governing documents, must be responsible, to the extent permitted by Japanese law, for the appointment, retention and oversight of the work of any registered public accounting firm engaged (including, to the extent permitted by Japanese law, the resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed company, including its principal accountant which audits its consolidated financial statements included in its annual reports on Form 20-F.
- To the extent permitted by Japanese law:
  - — the board of corporate auditors must establish procedures for (i) the receipt, retention and treatment of complaints received by the listed company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by the listed company's employees of concerns regarding questionable accounting or auditing matters;
  - — the board of corporate auditors must have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties; and
  - — the listed company must provide for appropriate funding, as determined by its board of corporate auditors, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed company, (ii) compensation to any advisers employed by the board of corporate auditors, and (iii) ordinary administrative expenses of the board of corporate auditors that are necessary or appropriate in carrying out its duties.

In the Company's assessment, its Board of Corporate Auditors, which meets the requirements for reliance on the exemption in paragraph (c)(3) of Rule 10A-3 described above, is not materially less effective than an audit committee meeting all the requirements of paragraph (b) of Rule 10A-3 (without relying on any exemption provided by that Rule) at acting independently of management and performing the functions of an audit committee as contemplated therein.

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Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table shows the number of shares purchased by or on behalf of the Company or any affiliated purchaser and the average price paid per share.

In fiscal 2012, the Company did not repurchase its own shares nor announced the repurchase plan, except for repurchase of its own shares constituting less than a full unit upon request from a holder of such shares and the other minor transactions described below.

Period	(a) Total Number of Shares Purchased (Shares)	(b) Average Price Paid per Share* (Yen)
April 1 - 30, 2011	24,559	998
May 1 - 31, 2011	25,431	954
June 1 - 30, 2011	63,398	1,007
July 1 - 31, 2011	28,219	944
August 1 - 31, 2011	26,678	804
September 1 - 30, 2011	26,029	733
October 1- 31, 2011	24,234	767
November 1- 30, 2011	26,975	697
December 1- 31, 2011	33,936	659
January 1 - 31, 2012	31,217	657
February 1 - 29, 2012	567,978	649
March 1 - 31, 2012	27,395	746
Total	906,049	717

* The amounts less than yen are rounded to the nearest whole of a yen.

Under the Company Law, a holder of shares constituting less than a full unit may require the Company to purchase such shares at their market value (see “Common Stock—Unit share system” in Section B of Item 10). During the year ended March 31, 2012, the Company purchased 81,923 shares for 73,607,132 yen upon such requests from holders of shares constituting less than one full unit.

The Directors, Corporate Auditors, Executive Officers and Executive Counselors in Japan are eligible to participate in the Panasonic Corporation Directors and Executive Officers Shareholding Association, which is an affiliated purchaser, and the Association purchases shares of the Company’s common stock on their behalf. During the year ended March 31, 2012, the Association purchased 270,926 shares for 213,856,270 yen.

The information for the period “May 1 – 31, 2011,” “June 1 – 30, 2011” and “February 1 – 29, 2012,” in the above table includes the purchase by the Company of 1,000, 12,000 and 540,200 shares of its common stock from certain shareholders at a price of 1,020 yen, 1,051 yen and 645 yen per share, respectively.

Item 16F. Change in Registrant’s Certifying Accountant

Not applicable

Item 16G. Corporate Governance

Companies listed on the NYSE must comply with certain standards regarding corporate governance under Section 303A of the NYSE Listed Company Manual. However, listed companies that are foreign private issuers, such as

Panasonic, are permitted to follow home country practice in lieu of certain provisions of Section 303A.

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The following table shows the significant differences between the corporate governance practices followed by U.S. listed companies under Section 303A of the NYSE Listed Company Manual and those followed by Panasonic.

Corporate Governance Practices Followed by NYSE-listed U.S. companies	Corporate Governance Practices Followed by Panasonic
A NYSE-listed U.S. company must have a majority of directors meeting the independence requirements under Section 303A of the NYSE Listed Company Manual.	The Company Law does not require independent directors on the board of directors. The Company Law has provisions for an "outside director," whose definition is similar to, but not the same as, an independent director under the NYSE Listed Company Manual. An "outside director" is defined as a director of the company who does not engage or has not engaged in the execution of business of the company or its subsidiaries as a director of any of these corporations, and who does not serve or has not served as an executive officer, manager or in any other capacity as an employee of the company or its subsidiaries. A Japanese joint stock corporation with corporate auditors, such as Panasonic, is not obliged under the Company Law to have any outside directors on its board of directors. However, Panasonic had two (2) outside Directors as of June 27, 2012. In addition, pursuant to amendments to the regulations of the Japanese stock exchanges in fiscal 2010, Panasonic is required to have one or more "independent director(s)/corporate auditor(s)" which terms are defined under the relevant regulations of the Japanese stock exchanges as "outside directors" or "outside corporate auditors"(each of which terms is defined under the Company Law) who are unlikely to have any conflict of interests with shareholders of Panasonic. The definition of the "independent director/corporate auditor" is different from that of the independent directors under the NYSE Listed Company Manual or under Rule 10A-3 under the U.S. Securities Exchange Act of 1934. Each of the outside directors and outside corporate auditors of Panasonic satisfies the requirements for the "independent director/corporate auditor" under the regulations of the Japanese stock exchanges, respectively. The tasks of supervising the administration of the Company's affairs are assigned not only to the Board of Directors but also to Corporate Auditors, as more fully described below.
A NYSE-listed U.S. company must have an audit committee with responsibilities described under Section 303A of the NYSE Listed Company Manual, including those imposed by Rule 10A-3 under the U.S. Securities Exchange Act of 1934. The audit committee must be composed entirely of independent directors, and the audit committee must have at least three (3) members and satisfy the requirements of Rule 10A-3 under the U.S. Securities	A Japanese joint stock corporation is not required to have any audit, nominating and compensation committees, except for a "joint stock corporation with specified committees," which is a corporate governance system that may be adopted by Japanese joint stock corporations meeting certain criteria. Most Japanese joint stock corporations, including Panasonic, employ a corporate governance system based on corporate auditors. With this system, the tasks of supervising the administration of the company's affairs conducted by directors are assigned not only to the board of directors but also to corporate auditors who are appointed at a general meeting of shareholders, and who are separate and independent from the board of directors. All corporate auditors must meet certain independence requirements under the Company Law. Under the Company Law, Panasonic is required to appoint at least three (3) Corporate Auditors, and at least half of Panasonic's Corporate Auditors are required to be "Outside Corporate Auditors" who must meet additional independence requirements. An "outside corporate auditor" is defined as a corporate auditor of the Company who has never been as a director, accounting counselor, executive officer, manager or in

Exchange Act of 1934.	any other capacity as an employee of the company or any of its subsidiaries prior to the appointment. Under the Company Law, Panasonic is required to establish a Board of Corporate Auditors, comprising all the Company's Corporate Auditors. As of June 27, 2012, Panasonic had five (5) Corporate Auditors, of which three (3) were Outside Corporate Auditors. Each Corporate Auditor of Panasonic has a four-year term. In contrast, the term of each Director of Panasonic is one year. Corporate Auditors are obliged to attend the meetings of the Board of Directors and express their opinion at the meetings if necessary. The Board of Corporate Auditors and Corporate Auditors have a statutory duty to supervise the administration of the Company's affairs by Directors. The Board of Corporate Auditors has a statutory duty to, based on the reports prepared by respective Corporate Auditors, prepare and submit its audit report to Accounting Auditors and certain Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements and the business report). A copy of the audit report is included in the appendix to the convocation notice of the ordinary general meeting of shareholders. A Corporate Auditor also has a statutory duty to examine the financial statements of Panasonic, and receives auditors' reports from an accounting auditor (a certified public accountant or an accounting firm). The Board of Corporate Auditors has the power to request that Panasonic's Directors submit a proposal for dismissal of an accounting auditor to a general meeting of shareholders. The Board of Corporate Auditors also has the power to directly dismiss an accounting auditor under certain conditions. Panasonic's Directors must obtain the consent of its Board of Corporate Auditors in order to submit a proposal for election, dismissal and/or non-reelection of an accounting auditor to a general meeting of shareholders. With respect to the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934 relating to listed company audit committees, Panasonic relies on an exemption under that rule which is available to foreign private issuers with a board of corporate auditors meeting certain requirements. In addition, each of the outside corporate auditors of Panasonic satisfies the requirements for the "independent director/corporate auditor" under the regulations of the Japanese stock exchanges as described above.

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A NYSE-listed U.S. company must have a nominating/corporate governance committee with responsibilities described under Section 303A of the NYSE Listed Company Manual. The nominating/corporate governance committee must be composed entirely of independent directors.	Under the Company Law, Panasonic's Directors must be elected and/or dismissed at a general meeting of shareholders. The Board of Directors nominates Director candidates and submits a proposal for election of directors to a general meeting of shareholders. The Board of Directors does not have the power to fill vacancies thereon. Panasonic's Corporate Auditors must also be elected and/or dismissed at a general meeting of shareholders. Panasonic's Directors must obtain the consent of the Board of Corporate Auditors in order to submit a proposal for election of a Corporate Auditor to a general meeting of shareholders. Each of the Corporate Auditors has the right to state his/her opinion concerning the election, dismissal and/or resignation of any Corporate Auditor, including himself/herself, at a general meeting of shareholders. The Board of Corporate Auditors is also empowered to request Directors to submit a proposal for election of a specific person as a Corporate Auditor to a general meeting of shareholders.

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A NYSE-listed U.S. company must have a compensation committee with responsibilities described under Section 303A of the NYSE Listed Company Manual. The compensation committee must be composed entirely of independent directors.	Under the Company Law, the maximum amounts of remunerations, including equity compensation such as stock options, bonuses, and other financial benefits given in consideration of performance of duties (collectively, the "remunerations") of directors and corporate auditors of Japanese joint stock corporations, except for a "joint stock corporation with specified committees," must be approved at a general meeting of shareholders. Companies must also obtain the approval at a general meeting of shareholders to change such maximum amounts. Therefore, the remunerations of the directors and corporate auditors are subject to the approval of shareholders. The maximum total amounts of remunerations for Directors and Corporate Auditors of Panasonic is therefore determined by a resolution at a general meeting of shareholders, and thus remunerations of the Directors and Corporate Auditors of Panasonic are under the oversight of shareholders. The remuneration amount for each Director is determined by Panasonic's Representative Directors who are delegated to make such determination by the Board of Directors, and the amount of remuneration for each Corporate Auditor is determined upon discussions amongst the Corporate Auditors.
A NYSE-listed U.S. company must generally obtain shareholder approval with respect to any equity compensation plan.	Pursuant to the Company Law, if a Japanese joint stock corporation, such as Panasonic, desires to adopt an equity compensation plan under which stock acquisition rights are granted on specially favorable conditions (except where such rights are granted to all shareholders on a pro rata basis), such plan must be approved by a "special resolution" of a general meeting of shareholders that satisfies the prescribed quorum. (In the case of Panasonic, such quorum is one-third of the total number of voting rights and the approval of at least two-thirds of the voting rights represented at the meeting is required as provided by Panasonic's Articles of Incorporation pursuant to the Company Law.)

Item 16H. Mine Safety Disclosure

Not applicable

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PART III

Item 17. Financial Statements

Not applicable

Item 18. Financial Statements

Index of Consolidated Financial Statements of Panasonic Corporation and Subsidiaries:

All other schedules are omitted as permitted by the rules and regulations of the Securities and Exchange Commission as the required information is presented in the consolidated financial statements or notes thereto, or the schedules are not applicable.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Panasonic Corporation:

We have audited the accompanying consolidated balance sheets of Panasonic Corporation and subsidiaries (the "Company") as of March 31, 2012 and 2011, and the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended March 31, 2012. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Panasonic Corporation and subsidiaries as of March 31, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Panasonic Corporation and subsidiaries' internal control over financial reporting as of March 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 28, 2012 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG AZSA LLC

Osaka, Japan
June 28, 2012

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Panasonic Corporation:

We have audited Panasonic Corporation and subsidiaries' (the "Company") internal control over financial reporting as of March 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Panasonic Corporation and subsidiaries as of March 31, 2012 and 2011, and the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended March 31, 2012, and our report dated June 28, 2012 expressed an unqualified opinion on those consolidated financial statements.

KPMG AZSA LLC

Osaka, Japan
June 28, 2012

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PANASONIC CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2012 and 2011

Assets	Yen (millions) 2012	2011
Current assets:		
Cash and cash equivalents (Note 9)	574,411	974,826
Time deposits (Note 9)	36,575	69,897
Short-term investments (Note 5)	483	—
Trade receivables (Note 16):		
Related companies	14,834	17,202
Notes	72,952	78,821
Accounts (Note 17)	948,460	984,938
Allowance for doubtful receivables	(26,604)	(21,860)
Net trade receivables	1,009,642	1,059,101
Inventories (Note 3)	830,266	896,424
Other current assets (Notes 7, 11 and 17)	454,663	489,601
Total current assets	2,906,040	3,489,849
Investments and advances:		
Associated companies (Note 4)	136,735	156,845
Other investments and advances (Notes 5 and 9)	315,144	412,806
Total investments and advances	451,879	569,651
Property, plant and equipment (Notes 6, 7 and 9):		
Land	374,855	381,840
Buildings	1,679,665	1,771,178
Machinery and equipment	2,248,137	2,290,760
Construction in progress	90,786	96,489
	4,393,443	4,540,267
Less accumulated depreciation	2,659,160	2,656,958
Net property, plant and equipment	1,734,283	1,883,309
Other assets:		
Goodwill (Note 8)	757,417	924,752
Intangible assets (Notes 6, 7 and 8)	345,751	542,787
Other assets (Notes 10 and 11)	405,685	412,522
Total other assets	1,508,853	1,880,061
	6,601,055	7,822,870

See accompanying Notes to Consolidated Financial Statements.

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Consolidated Balance Sheets

March 31, 2012 and 2011

Liabilities and Equity	Yen (millions) 2012	2011
Current liabilities:		
Short-term debt, including current portion of long-term debt (Notes 6 and 9)	633,847	432,982
Trade payables:		
Related companies	39,941	55,102
Notes	52,987	59,889
Accounts (Note 17)	758,085	886,261
Total trade payables	851,013	1,001,252
Accrued income taxes (Note 11)	32,553	42,415
Accrued payroll	204,842	192,279
Other accrued expenses (Notes 15 and 19)	749,495	747,205
Deposits and advances from customers	71,102	66,473
Employees' deposits	7,651	9,101
Other current liabilities (Notes 10, 11 and 17)	329,001	355,343
Total current liabilities	2,879,504	2,847,050
Noncurrent liabilities:		
Long-term debt (Notes 6 and 9)	941,768	1,162,287
Retirement and severance benefits (Note 10)	566,550	492,960
Other liabilities (Note 11)	235,667	374,238
Total noncurrent liabilities	1,743,985	2,029,485
Panasonic Corporation shareholders' equity:		
Common stock (Note 12):		
Authorized -4,950,000,000 shares		
Issued -2,453,053,497 shares	258,740	258,740
Capital surplus (Note 12)	1,117,530	1,100,181
Legal reserve (Note 12)	94,512	94,198
Retained earnings (Note 12)	1,441,177	2,401,909
Accumulated other comprehensive income (loss):		
Cumulative translation adjustments	(482,168)	(453,158)
Unrealized holding gains of available-for-sale securities (Note 5)	13,283	16,835
Unrealized gains (losses) of derivative instruments (Note 17)	(3,728)	2,277
Pension liability adjustments (Note 10)	(262,542)	(191,254)
Total accumulated other comprehensive loss	(735,155)	(625,300)
Treasury stock, at cost (Note 12):		
141,351,296 shares (382,760,101 shares in 2011)	(247,018)	(670,736)

Total Panasonic Corporation shareholders' equity	1,929,786	2,558,992
Noncontrolling interests	47,780	387,343
Total equity	1,977,566	2,946,335
Commitments and contingent liabilities (Notes 6 and 19)		
	6,601,055	7,822,870

See accompanying Notes to Consolidated Financial Statements.

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Consolidated Statements of Operations

Years ended March 31, 2012, 2011 and 2010

	Yen (millions)		
	2012	**2011**	**2010**
Revenues, costs and expenses:			
Net sales:			
Related companies	174,887	211,589	209,938
Other	7,671,329	8,481,083	7,208,042
Total net sales	7,846,216	8,692,672	7,417,980
Cost of sales (Notes 4, 16 and 17)	(5,864,515)	(6,389,180)	(5,341,059)
Selling, general and administrative expenses (Note 16)	(1,937,976)	(1,998,238)	(1,886,468)
Interest income	13,388	11,593	12,348
Dividends received	6,129	6,323	6,746
Other income (Notes 5, 6, 16 and 17)	44,124	59,050	47,896
Interest expense	(28,404)	(27,524)	(25,718)
Impairment losses of long-lived assets (Note 7)	(399,259)	(34,692)	(79,259)
Goodwill impairment (Note 8)	(163,902)	—	(3,745)
Other deductions (Notes 2, 4, 5, 15, 16 and 17)	(328,645)	(141,197)	(178,036)
Income (loss) before income taxes	(812,844)	178,807	(29,315)
Provision for income taxes (Note 11):			
Current	69,206	88,910	58,147
Deferred	(59,439)	14,100	83,686
	9,767	103,010	141,833
Equity in earnings of associated companies (Note 4)	6,467	9,800	481
Net income (loss)	(816,144)	85,597	(170,667)
Less net income (loss) attributable to noncontrolling interests	(43,972)	11,580	(67,202)
Net income (loss) attributable to Panasonic Corporation	(772,172)	74,017	(103,465)

	Yen		
Net income (loss) per share attributable to Panasonic Corporation common shareholders (Note 14):			
Basic	(333.96)	35.75	(49.97)
Diluted	—	—	—

See accompanying Notes to Consolidated Financial Statements.

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Consolidated Statements of Equity

Years ended March 31, 2012, 2011 and 2010

	Yen (millions)		
	2012	**2011**	**2010**
Common stock (Note 12):			
Balance at beginning of year	258,740	258,740	258,740
Balance at end of year	258,740	258,740	258,740
Capital surplus (Note 12):			
Balance at beginning of year	1,100,181	1,209,516	1,217,764
Sale of treasury stock	(1,752)	(9)	(8)
Equity transactions with noncontrolling interests and others (Note 21)	19,101	(109,326)	(8,240)
Balance at end of year	1,117,530	1,100,181	1,209,516
Legal reserve (Note 12):			
Balance at beginning of year	94,198	93,307	92,726
Transfer from retained earnings	314	891	581
Balance at end of year	94,512	94,198	93,307
Retained earnings (Note 12):			
Balance at beginning of year	2,401,909	2,349,487	2,479,416
Sale of treasury stock	(166,334)	—	—
Net income (loss) attributable to Panasonic Corporation	(772,172)	74,017	(103,465)
Cash dividends to Panasonic Corporation shareholders	(21,912)	(20,704)	(25,883)
Transfer to legal reserve	(314)	(891)	(581)
Balance at end of year	1,441,177	2,401,909	2,349,487
Accumulated other comprehensive income (loss):			
Balance at beginning of year	(625,300)	(448,232)	(594,377)
Equity transactions with noncontrolling interests and others	(838)	(5,885)	—
Other comprehensive income (loss), net of tax (Note 13)	(109,017)	(171,183)	146,145
Balance at end of year	(735,155)	(625,300)	(448,232)

(Continued)

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PANASONIC CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Equity

Years ended March 31, 2012, 2011 and 2010

	Yen (millions)		
	2012	**2011**	**2010**
Treasury stock (Note 12):			
Balance at beginning of year	(670,736)	(670,330)	(670,289)
Repurchase of common stock	(436)	(432)	(72)
Sale of treasury stock	424,154	26	31
Balance at end of year	(247,018)	(670,736)	(670,330)
Noncontrolling interests:			
Balance at beginning of year	387,343	887,285	428,601
Cash dividends paid to noncontrolling interests	(11,642)	(12,583)	(14,619)
Acquisition transaction (Note 2)	—	—	532,360
Equity transactions with noncontrolling interests and others	(283,711)	(474,758)	(2,402)
Net income (loss) attributable to noncontrolling interests	(43,972)	11,580	(67,202)
Other comprehensive income (loss), net of tax (Note 13):			
Translation adjustments	1,059	(21,764)	1,238
Unrealized holding gains (losses) of available-for-sale securities	(151)	(1,633)	2,378
Unrealized gains (losses) of derivative instruments	—	(26)	68
Pension liability adjustments	(1,146)	(758)	6,863
Balance at end of year	47,780	387,343	887,285
Disclosure of comprehensive income (loss):			
Net income (loss)	(816,144)	85,597	(170,667)
Other comprehensive income (loss), net of tax (Note 13):			
Translation adjustments	(19,887)	(107,779)	(9,819)
Unrealized holding gains (losses) of available-for-sale securities	(3,476)	(24,422)	53,641
Unrealized gains (losses) of derivative instruments	(6,018)	962	6,229
Pension liability adjustments	(79,874)	(64,125)	106,641
Comprehensive loss	(925,399)	(109,767)	(13,975)
Comprehensive loss attributable to noncontrolling interests	(44,210)	(12,601)	(56,655)
Comprehensive income (loss) attributable to Panasonic Corporation	(881,189)	(97,166)	42,680

See accompanying Notes to Consolidated Financial Statements.

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended March 31, 2012, 2011 and 2010

	Yen (millions)		
	2012	**2011**	**2010**
Cash flows from operating activities (Note 16):			
Net income (loss)	(816,144)	85,597	(170,667)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	338,112	367,263	298,270
Net gain on sale of investments	(5,822)	(11,318)	(5,137)
Provision for doubtful receivables	12,162	4,392	10,862
Deferred income taxes (Note 11)	(59,439)	14,100	83,686
Write-down of investment securities (Notes 4 and 5)	16,636	27,539	6,944
Impairment losses on long-lived assets and goodwill (Notes 7 and 8)	563,161	34,692	83,004
Cash effects of changes in, excluding acquisition:			
Trade receivables	24,228	83,333	(119,966)
Inventories	38,117	(54,659)	100,576
Other current assets	17,130	(181)	24,151
Trade payables	(103,788)	(12,826)	83,719
Accrued income taxes	(7,473)	13,038	6,706
Accrued expenses and other current liabilities	(9,089)	(24,374)	102,743
Retirement and severance benefits	(29,374)	(38,400)	(8,655)
Deposits and advances from customers	(14,547)	607	(7,368)
Other, net	(761)	(19,608)	33,465
Net cash provided by (used in) operating activities	(36,891)	469,195	522,333
Cash flows from investing activities (Note 16):			
Proceeds from sale of short-term investments	—	—	6,442
Purchase of short-term investments	—	—	(6,369)
Proceeds from disposition of investments and advances	104,542	87,229	61,302
Increase in investments and advances	(6,945)	(8,873)	(8,855)
Capital expenditures	(456,468)	(420,921)	(375,648)
Proceeds from disposals of property, plant and equipment	53,333	152,663	117,857
Decrease in time deposits, net	30,952	19,005	99,274
Purchase of shares of newly consolidated subsidiaries, net of acquired companies' cash and cash equivalents (Note 2)	—	—	(174,808)
Other, net	(28,416)	(32,048)	(42,854)
Net cash used in investing activities	(303,002)	(202,945)	(323,659)

(Continued)

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended March 31, 2012, 2011 and 2010

	Yen (millions)		
	2012	**2011**	**2010**
Cash flows from financing activities (Note 16):			
Increase (decrease) in short-term debt, net	362,128	(34,034)	(3,360)
Proceeds from long-term debt	828	505,123	53,172
Repayments of long-term debt	(370,052)	(201,906)	(54,780)
Dividends paid to Panasonic Corporation shareholders (Note 12)	(21,912)	(20,704)	(25,883)
Dividends paid to noncontrolling interests	(11,642)	(12,583)	(14,619)
Repurchase of common stock (Note 12)	(436)	(432)	(72)
Sale of treasury stock (Note 12)	73	17	23
Purchase of noncontrolling interests	(10,640)	(589,910)	(11,095)
Other, net	(1,441)	(198)	(359)
Net cash used in financing activities	(53,094)	(354,627)	(56,973)
Effect of exchange rate changes on cash and cash equivalents	(7,428)	(46,709)	(5,656)
Net increase (decrease) in cash and cash equivalents	(400,415)	(135,086)	136,045
Cash and cash equivalents at beginning of year	974,826	1,109,912	973,867
Cash and cash equivalents at end of year	574,411	974,826	1,109,912

See accompanying Notes to Consolidated Financial Statements.

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**PANASONIC CORPORATION
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

March 31, 2012, 2011 and 2010

(1) Summary of Significant Accounting Policies

(a) **Description of Business**

Panasonic Corporation (hereinafter, the "Company," including consolidated subsidiaries, unless the context otherwise requires) is one of the world's leading producers of electronic and electric products. The Company currently offers a comprehensive range of products, systems and components for consumer, business and industrial use based on sophisticated electronics and precision technology, expanding to building materials and equipment, and housing business.

Sales by segment in fiscal 2012 were as follows: AVC Networks—17%, Appliances—15%, Systems & Communications—8%, Eco Solutions—15%, Automotive Systems—7%, Industrial Devices—14%, Energy—6% and Other—18%. A sales breakdown in fiscal 2012 by geographical market was as follows: Japan—53%, North and South America—12%, Europe—10%, and Asia and Others—25%.

The Company is not dependent on a single supplier, and has no significant difficulty in obtaining raw materials from suppliers.

(b) **Basis of Presentation of Consolidated Financial Statements**

The Company and its domestic subsidiaries maintain their books of account in conformity with financial accounting standards of Japan, and its foreign subsidiaries in conformity with those of the countries of their domicile.

The consolidated financial statements presented herein have been prepared in a manner that reflects adjustments which are necessary to conform with U.S. generally accepted accounting principles.

(c) **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its majority-owned, controlled subsidiaries. The Company also consolidates entities in which controlling interest exists through variable interests in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, "Consolidation." Investments in companies and joint ventures over which the Company has the ability to exercise significant influence (generally through a voting interest of between 20% to 50%) are included in "Investments and advances—Associated companies" in the consolidated balance sheets. All significant intercompany balances and transactions have been eliminated in consolidation.

(d) **Revenue Recognition**

The Company generates revenue principally through the sale of consumer and industrial products, equipment, and supplies. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, and title and risk of loss have been transferred to the customer or services have been rendered, the sales price is fixed or determinable, and collectibility is reasonably assured.

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Revenue from sales of products is generally recognized when the products are received by customers. Revenue from sales of certain products with customer acceptance provisions related to their functionality is recognized when the product is received by the customer and the specific criteria of the product functionality are successfully tested and demonstrated.

The Company enters into arrangements with multiple elements, which may include any combination of products or equipment, installation and maintenance. The Company allocates revenue to each element based on its relative selling price if such element meets the criteria for treatment as a separate unit of accounting as prescribed in the provisions of ASC 605, "Revenue Recognition." Revenue from sales of products or equipment is generally recognized upon completion of installation or upon acceptance by customers if installation is not required. Maintenance revenue is recognized on a straight-line basis over the term of the maintenance agreement.

The Company's policy is to accept product returns only in the case that the products are defective. The Company issues contractual product warranties under which it guarantees the performance of products delivered and services rendered for a certain period of time. A liability for the estimated product warranty related cost is established at the time revenue is recognized, and is included in "Other accrued expenses." Estimates for accrued warranty cost are primarily based on historical experience and current information on repair cost.

Historically, the Company has made certain allowances related to sales to its consumer business distributors. Such allowances are generally provided to compensate the distributors for price adjustments due to a decline in the product's value, and are classified as a reduction of revenue on the consolidated statements of operations. Estimated price adjustments are accrued when the related sales are recognized. The estimate is made based primarily on the historical experience and specific arrangements made with the distributors.

The Company also occasionally offers incentive programs to its distributors in the form of rebates. These rebates are accrued at the latter of the date at which the related revenue is recognized or the date at which the incentive is offered, and are recorded as reductions of sales in accordance with the provisions of ASC 605.

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the consolidated statements of operations.

(e) **Leases (See Note 6)**

The Company accounts for leases in accordance with the provisions of ASC 840, "Leases." Leases of assets under certain conditions are recorded as capital leases in property, plant and equipment in the consolidated balance sheets.

(f) **Inventories (See Note 3)**

Finished goods and work in process are stated at the lower of cost (average) or market. Raw materials are stated at cost, principally on a first-in, first-out basis or average basis, not in excess of current replacement cost.

(g) **Foreign Currency Translation (See Note 13)**

Foreign currency financial statements are translated in accordance with the provisions of ASC 830, "Foreign Currency Matters," under which all assets and liabilities are translated into yen at year-end rates and income and expense accounts are translated at weighted-average rates. Adjustments resulting from the translation of financial statements are reflected under the caption, "Accumulated other comprehensive income (loss)," a separate component of equity.

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(h) **Property, Plant and Equipment**

Property, plant and equipment is stated at cost. Depreciation is computed primarily using the straight-line method based on the following estimated useful lives:

Buildings	5 to 50 years
Machinery and equipment	2 to 10 years

Effective April 1, 2009, the Company and certain of its domestic subsidiaries changed their depreciation method from the declining-balance method to the straight-line method. The Company believes that the straight-line method better reflects the pattern of consumption of the future benefits to be derived from those assets being depreciated and provides a better matching of costs and revenues over the assets' estimated useful lives. Under the provisions of ASC 250, "Accounting Changes and Error Corrections," a change in depreciation method is treated on a prospective basis as a change in estimate and prior period results have not been restated. The change in depreciation method caused a decrease in depreciation expense by 11,031 million yen for the year ended March 31, 2010. Net loss attributable to Panasonic Corporation and basic net loss per share attributable to Panasonic Corporation common shareholders decreased by 6,861 million yen and 3.31 yen, respectively, for the year ended March 31, 2010. Impact on diluted net income (loss) per share attributable to Panasonic Corporation common shareholders for the year ended March 31, 2010 has been omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

(i) **Goodwill and Other Intangible Assets (See Notes 7 and 8)**

Goodwill represents the excess of costs over the fair value of net assets of businesses acquired. The Company adopted the provisions of ASC 350, "Intangibles—Goodwill and Other." Goodwill and intangible assets determined to have an indefinite useful life are not amortized, and are instead reviewed for impairment at least annually based on assessment of current estimated fair value. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the enterprise must perform the second step of the impairment test (measurement). If the fair value of the reporting unit exceeds its carrying amount, the second step does not need to be performed. Under the second step, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation in business combinations. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a guideline merged and acquired company method, guideline public company method, and a discounted cash flow analysis. The provisions of ASC 350 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment based on an assessment of the undiscounted cash flows expected by the asset, whenever impairment indications are presented. An impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Until the third quarter of fiscal 2012, the Company had designated July 1 as the annual impairment measurement date for some reporting units that were associated with SANYO Electric Co. Ltd. (SANYO) and January 1 as the annual impairment measurement date for the other reporting units. In the fourth quarter of fiscal 2012, the Company restructured its group organization under which goodwill associated with SANYO was reallocated to new reporting units in accordance with the provision of ASC350. As a result of the reallocation, the Company designated January 1 as the annual impairment measurement date for all reporting units. The Company believes that this unification of the

annual impairment measurement date is preferable under the circumstances given the fact that the reporting units that were associated with SANYO have been reallocated to other reporting units. The change in the measurement date had no impact on the Company's prior period financial statements.

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(j) **Investments and Advances (See Notes 4, 5 and 13)**

Investments and advances primarily consist of investments in and advances to associated companies, cost method investments, available-for-sale securities, and long-term deposits. Cost method investments and long-term deposits are recorded at historical cost.

The equity method is used to account for investments in associated companies in which the Company exerts significant influence over operating and financial policies, generally having a 20% to 50% voting interest, and corporate joint ventures. The Company also uses the equity method for certain investees if the minority shareholders have substantive participating rights. Under the equity method of accounting, investments are stated at their underlying net equity value after elimination of intercompany profits. The cost method is used when the Company does not have significant influence.

The excess of cost of the stock of the associated companies over the Company's share of their net assets at the acquisition date, included in the equity investment balance, is recognized as equity method goodwill. Such equity method goodwill is not amortized and is instead tested for impairment as part of the equity method investment.

The Company accounts for debt and marketable equity securities in accordance with the provisions of ASC 320, "Investments—Debt and Equity Securities."

The provisions of ASC 320 require that certain investments in debt and marketable equity securities be classified as held-to-maturity, trading, or available-for-sale securities. The Company classifies its existing marketable equity securities other than investments in associated companies and all debt securities as available-for-sale. Available-for-sale securities are carried at fair value with unrealized holding gains or losses included as a component of accumulated other comprehensive income (loss), net of applicable taxes.

Realized gains and losses are determined on the average cost method and reflected in earnings.

On a continuous basis, but no less frequently than at the end of each quarter, the Company evaluates the carrying amount of each of the investments in associated companies, cost method investments and available-for-sale securities for possible other-than-temporary impairment. Factors considered in assessing whether an indication of other-than-temporary impairment exists include the period of time the fair value has been below the carrying amount or cost basis of investment, financial condition and prospects of each investee, and other relevant factors.

Investments in associated companies, cost method investments and available-for-sale securities are reduced to fair value by a charge to earnings when impairment is considered to be other than temporary. Impairment is measured based on the amount by which the carrying amount or cost basis of the investment exceeds its fair value. Fair value is determined based on quoted market prices, discounted cash flows or other valuation techniques as appropriate.

(k) **Allowance for Doubtful Receivables**

An allowance for doubtful trade receivables and advances is provided at an amount calculated based on historical experience, while specific allowances for doubtful trade receivables and advances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility.

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(l) **Income Taxes (See Note 11)**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertainty in tax positions in accordance with the provisions of ASC 740, "Income Taxes." The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits in "Provision for income taxes—Current" in the consolidated statements of operations.

(m) **Advertising (See Note 16)**

Advertising costs are expensed as incurred.

(n) **Net Income (loss) per Share (See Note 14)**

The Company accounts for net income (loss) per share in accordance with the provisions of ASC 260, "Earnings Per Share." This Codification Section establishes standards for computing net income (loss) per share and requires dual presentation of basic and diluted net income (loss) per share on the face of the statements of operations for all entities with complex capital structures.

Under the provisions of ASC 260, basic net income (loss) per share is computed based on the weighted-average number of common shares outstanding during each period, and diluted net income (loss) per share assumes the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock.

(o) **Cash Equivalents**

Cash equivalents include all highly liquid debt instruments purchased with a maturity of three months or less.

(p) **Derivative Financial Instruments (See Notes 13 and 17)**

Derivative financial instruments utilized by the Company are comprised principally of foreign exchange contracts, interest rate swaps, cross currency swaps and commodity futures used to hedge currency risk and commodity price risk.

The Company accounts for derivative instruments in accordance with the provisions of ASC 815, "Derivatives and Hedging." On the date the derivative contract is entered into, the Company ordinarily designates the derivative as either a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair-value" hedge), a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash-flow" hedge), or a foreign-currency fair-value or cash-flow hedge ("foreign-currency" hedge). The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also

formally assesses, both at the hedge's inception and on quarterly basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The Company does not offset fair value of contracts in gain and loss positions.

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Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair-value hedge, along with the loss or gain on the hedged asset or liability or unrecognized firm commitment of the hedged item that is attributable to the hedged risk, are recorded in earnings. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss), until earnings are affected by the variability in cash flows of the designated hedged item. Changes in the fair value of derivatives that are highly effective as hedges and that are designated and qualify as foreign-currency hedges are recorded in either earnings or other comprehensive income (loss), depending on whether the hedge transaction is a fair-value hedge or a cash-flow hedge. The ineffective portion of the change in fair value of a derivative instrument that qualifies as either a fair-value hedge or a cash-flow hedge is reported in earnings.

(q) **Impairment of Long-Lived Assets (See Note 7)**

The Company accounts for impairment or disposition of long-lived assets in accordance with the provisions of ASC 360, "Property, Plant, and Equipment." In accordance with the provisions of ASC 360, long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds its fair value of the asset.

(r) **Restructuring Charges (See Note 15)**

The Company accounts for costs associated with exit or disposal activities in accordance with the provisions of ASC 420, "Exit or Disposal Cost Obligations." Pursuant to the provisions of ASC 420, liabilities for restructuring costs are recognized when the liability is incurred, which may be subsequent to the date when the Company has committed to a restructuring plan.

(s) **Segment Information (See Note 20)**

The Company accounts for segment information in accordance with the provisions of ASC 280, "Segment Reporting." Pursuant to the provisions of ASC 280, the segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker of the Company in deciding how to allocate resources and in assessing performance.

The Company restructured its group organization on January 1, 2012 resulting in the number of reportable segments from six to eight. Accordingly, segment information for fiscal 2011 and fiscal 2010 has been reclassified to conform to the presentation for fiscal 2012.

(t) **Fair Value Measurements (See Note 18)**

The provisions of ASC 820, "Fair Value Measurements and Disclosures" define fair value and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets.
Level 2 — Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or

corroborated by observable market data by correlation or other means.

Level 3 — Unobservable inputs for the asset or liability.

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The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The Company maintains policies and procedures to value assets and liabilities using the best and most relevant data available. With regards to Level 3 valuations, the Company performs a variety of procedures to assess the reasonableness of the valuations quarterly or annually. These reviews are performed by the accounting section and approved by President and Chief Financial Officer of the Company. This detailed review may include the use of a third-party valuation firm.

(u) **Use of Estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are reflected in valuation and disclosure of revenue recognition, allowance for doubtful receivables, valuation of inventories, impairment of long-lived assets, impairment of goodwill, environmental liabilities, valuation of deferred tax assets, uncertain tax positions, employee retirement and severance benefit plans, and assets acquired and liabilities assumed in business combinations.

(v) **Adoption of New Accounting Standards**

On April 1, 2009, the Company adopted the provisions of ASC 805, “Business Combinations.” The provisions of ASC 805 requires most identifiable assets, liabilities, noncontrolling interests (previously referred to as minority interests), and goodwill acquired in a business combination to be recorded at full fair value. On April 1, 2009, the Company adopted the provisions of ASC 810, “Consolidation.” ASC 810 require noncontrolling interests to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. The provisions of ASC 805 are applied to business combinations occurring after the effective date. The provisions of ASC 810 are applied prospectively to all noncontrolling interests, including any that arose before the effective date and the disclosure requirement is applied retrospectively.

(w) **New Accounting Pronouncements**

In June 2011, FASB issued Accounting Standards Update (ASU) 2011-05, “Presentation of Comprehensive Income.” Under ASU 2011-05, which amends ASC 220, “Comprehensive Income,” an entity has the option to present the components of net income and other comprehensive income in either one or two consecutive financial statements. ASU 2011-05 eliminates the option to present other comprehensive income in the statements of equity. ASU 2011-05 is effective for the Company as of April 1, 2012, and should be applied retrospectively. The adoption of ASU 2011-05 is not expected to have a material effect on the Company’s consolidated financial statements. In December 2011, FASB decided to defer the effective date of those changes in ASU 2011-05 that relate only to the presentation of reclassification adjustments in the statement of income by issuing ASU 2011-12, “Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive income in Accounting Standards Update 2011-05.”

(x) **Reclassifications**

Certain reclassifications have been made to the prior years’ consolidated financial statements in order to conform with the presentation used for the year ended March 31, 2012.

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(2) Acquisition

On December 16, 2009, the Company acquired all preferred shares of SANYO through a tender offer. On December 21, 2009, the Company subsequently converted the preferred shares to common shares, resulting in an acquisition of 50.2% of the voting rights and a controlling interest of SANYO.

SANYO is in the business of manufacturing and sales of solar cells, rechargeable batteries, electronic devices, commercial equipment, audio-visual equipment, home appliances, and other electronic and electric products. As a result of this acquisition, a collaborating relationship between the Company and SANYO is established under the larger business strategy as an united business group to generate synergy, such as the further expansion in the solar business, reinforcement of competitiveness in the rechargeable battery business, strengthening of the financial and business position of SANYO through the application of the Company's cost reduction know-how, and creation of a comprehensive solution business centered on the environment and energy.

The fair value of noncontrolling interests was measured based on the market price per share of SANYO as of the acquisition date. The fair value of the consideration paid for the controlling interests of SANYO and the noncontrolling interests as of the acquisition date is as follows:

	Yen (millions)
Fair value of consideration:	
Cash	403,780
Fair value of noncontrolling interests	532,360
Total	936,140

Acquisition-related cost of 5,058 million yen was included in other deductions in the consolidated statements of operations for the year ended March 31, 2010.

Assets acquired and liabilities assumed reflected in the Company's consolidated balance sheet as of the acquisition date were as follows:

	Yen (millions)
Cash and cash equivalents	228,972
Other current assets	653,709
Investments and advances	105,643
Property, plant and equipment	404,468
Goodwill	514,419
Intangible assets	494,103
Other assets	48,596
Total assets acquired	2,449,910
Current liabilities	606,639
Noncurrent liabilities	907,131
Total liabilities assumed	1,513,770
Total net assets acquired	936,140

Trade notes receivable, trade accounts receivable and other short-term receivables recorded at the fair value were included in other current assets in the table above, and the fair value was measured by deducting allowance for doubtful receivables of 73 million yen, 5,319 million yen and 964 million yen from their contractual amounts of 26,001 million yen, 314,175 million yen, 23,941 million yen, respectively. Long-term receivables recorded at the fair value were included in investments and advances, and the fair value was measured by deducting allowance for doubtful receivables of 2,730 million yen from their contractual amounts of 10,999 million yen.

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Intangible assets of 492,476 million yen were subject to amortization, which include right of trademark of 45,451 million yen with a 10-year weighted-average useful life, customer relationship of 52,011 million yen with a 12-year weighted-average useful life and patents and know-how of 355,490 million yen with a 10-year weighted-average useful life.

The total amount of goodwill had been included in "SANYO" segment. For the year ended March 31, 2012, the Company changed its segmentation and as a result, the goodwill was allocated to certain new segments such as "Industrial Devices" and "Energy." The total amount of goodwill is not deductible for tax purposes.

Accrued warranty costs of 4,253 million yen were included in current liabilities in the table above.

Net sales and loss before income taxes of SANYO and its subsidiaries that are included in the consolidated statements of operations for the year ended March 31, 2010 are 399,888 million yen and 23,352 million yen, respectively.

The unaudited pro forma information shows the results of the Company's consolidated operations for the year ended March 31, 2010 as though SANYO and its subsidiaries had been consolidated at the beginning of fiscal 2010. The pro forma data is not necessarily indicative of the Company's results of operations that would actually have been reported if the transaction in fact had occurred on April 1, 2009, and is not necessarily representative of the Company's consolidated results of operations for future periods. The unaudited pro forma information of net sales, net loss attributable to Panasonic Corporation and net loss per share attributable to Panasonic Corporation common shareholders for the year ended March 31, 2010 are 8,617,400 million yen, 133,012 million yen and 64.24 yen, respectively.

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(3) Inventories

Inventories at March 31, 2012 and 2011 are summarized as follows:

	Yen (millions)	
	2012	2011
Finished goods	450,990	466,261
Work in process	144,403	164,329
Raw materials	234,873	265,834
	830,266	896,424

(4) Investments in and Advances to, and Transactions with Associated Companies

Certain financial information in respect of associated companies in aggregate at March 31, 2012 and 2011, and for each of the three years ended March 31, 2012 is shown below. The most significant of these associated companies as of March 31, 2012 is Sumishin Panasonic Financial Services Co., Ltd. (SPFC). At March 31, 2012, the Company has a 15.1% equity ownership in SPFC.

The Company formerly had a 34.0% equity ownership in Sumishin Matsushita Financial Services Co., Ltd. (SMFC). On November 5, 2009, the Company sold certain equity interest to The Sumitomo Trust and Banking Co., Ltd. (On April 1, 2012, the name has been changed to Sumitomo Mitsui Trust Bank, Limited through a merger) and as a result, the Company had a 22.6% equity ownership in SMFC. On April 1, 2010, SMFC and STB Leasing Co., Ltd. merged their businesses to form SPFC. As a result, the Company has a 15.1% equity ownership in SPFC. The Company continues to apply the equity method subsequent to April 1, 2010 as the Company continues to hold significant influence over operating and financial policies of SPFC. On April 1, 2012, SPFC changed its name to Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.

The Company formerly had a 27.6% shareholding of JVC KENWOOD Holding, Inc. (JVC KENWOOD HD). On January 25, 2011, JVC KENWOOD HD issued new shares of its common stock and disposed of its treasury shares through an international offering. As a result, JVC KENWOOD HD and its consolidated subsidiaries ceased to be an associated company of the Company under the equity method as the ownership percentage of the Company fell under 20% and the Company lost the ability to exercise influence over operating and financial policies of JVC KENWOOD HD. Financial information associated with JVC KENWOOD HD and its subsidiaries prior to January 25, 2011 is included in the aggregate information below; however, financial information subsequent to January 25, 2011 is not included.

The Company formerly accounted for the investment in Toshiba Matsushita Display Technology Co., Ltd. (TMD) and its subsidiaries under the equity method. On April 28, 2009, the Company sold all of its shares in TMD to Toshiba Corporation.

	Yen (millions)	
	2012	2011
Current assets	1,163,276	1,307,304
Other assets	244,720	370,295
	1,407,996	1,677,599
Current liabilities	651,044	740,580
Other liabilities	376,906	541,691

Net assets	380,046	395,328
Company's equity in net assets	119,421	127,219

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	Yen (millions)		
	2012	2011	2010
Net sales	942,008	1,151,710	1,176,332
Gross profit	170,920	267,498	254,507
Net income (loss)	20,104	38,377	(10,572)

Purchases and dividends received from associated companies for the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	2011	2010
Purchases from	278,342	198,560	287,598
Dividends received	3,603	4,968	4,301

Retained earnings include undistributed earnings of associated companies in the amount of 41,562 million yen and 39,661 million yen, as of March 31, 2012 and 2011, respectively.

During the years ended March 31, 2012, 2011 and 2010, the Company incurred a write-down of 8,831 million yen, 8,318 million yen and 3,605 million yen, respectively, for other-than-temporary impairment of investments and advances in associated companies. The fair values of the investments and advances in associated companies were based on quoted market price or discounted cash flows by using appropriate discounted rate. An impairment charge was recorded to reduce the carrying value of the assets to fair value. The write-down is included in other deductions in the consolidated statements of operations.

Investments in associated companies include marketable equity securities which have quoted market values at March 31, 2012 and 2011 compared with the related carrying amounts as follows:

	Yen (millions)	
	2012	2011
Carrying amount	31,077	39,267
Market value	30,910	42,920

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(5) Investments in Securities

The Company classifies its existing marketable equity securities, other than investments in associated companies, and all debt securities as available-for-sale.

The cost, fair value, gross unrealized holding gains and gross unrealized holding losses of available-for-sale securities included in short-term investments, and other investments and advances at March 31, 2012 and 2011 are as follows:

	Yen (millions)			
	2012			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Current:				
Other debt securities	473	483	10	—
	473	483	10	—
Noncurrent:				
Equity securities	171,412	225,433	54,545	524
Corporate and government bonds	1,689	1,711	22	—
Other debt securities	80	110	30	—
	173,181	227,254	54,597	524

	Yen (millions)			
	2011			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Noncurrent:				
Equity securities	250,400	313,813	67,755	4,342
Corporate and government bonds	2,142	2,201	59	—
Other debt securities	544	546	8	6
	253,086	316,560	67,822	4,348

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Maturities of investments in available-for-sale securities at March 31, 2012 and 2011 are as follows:

	Yen (millions)			
	2012		2011	
	Cost	Fair value	Cost	Fair value
Due within one year	473	483	—	—
Due after one year through five years	1,769	1,821	2,686	2,747
Equity securities	171,412	225,433	250,400	313,813
	173,654	227,737	253,086	316,560

Proceeds from sale of available-for-sale securities for the years ended March 31, 2012, 2011 and 2010 were 73,141 million yen, 22,102 million yen and 18,275 million yen, respectively. The gross realized gains on sale of available-for-sale securities for the years ended March 31, 2012, 2011 and 2010 were 13,532 million yen, 5,474 million yen and 3,756 million yen, respectively. The gross realized losses on sale of available-for-sale securities for the years ended March 31, 2012, 2011 and 2010 were 5,561 million yen, 965 million yen and 88 million yen, respectively. The cost of securities sold in computing gross realized gains and losses is determined by the average cost method.

During the years ended March 31, 2012, 2011 and 2010, the Company incurred a write-down of 7,597 million yen, 19,154 million yen and 2,965 million yen, respectively, for other-than-temporary impairment of available-for-sale securities, mainly reflecting the aggravated market condition of certain industries in Japan. The write-down is included in other deductions in the consolidated statements of operations.

Gross unrealized holding losses on investments in available-for-sale securities and the fair value of the related investments, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2012 and 2011 are as follows:

	Yen (millions)					
	2012					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equity securities	5,365	524	—	—	5,365	524
	5,365	524	—	—	5,365	524

	Yen (millions)					
	2011					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses

Equity securities	48,891	4,342	—	—	48,891	4,342
Other debt securities	35	6	—	—	35	6
	48,926	4,348	—	—	48,926	4,348

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The gross unrealized loss position has been continuing for a relatively short period of time. Based on this and other relevant factors, management has determined that these investments are not considered other-than-temporarily impaired. The Company did not have investment securities that had been in a continuous loss position for twelve months or more at March 31, 2012 and 2011.

The carrying amounts of the Company's cost method investments totaled 24,553 million yen and 27,914 million yen at March 31, 2012 and 2011, respectively. For substantially all such investments, the Company estimated that the fair value exceeded the carrying amounts of investments (that is, the investments were not impaired). For the years ended March 31, 2012, 2011 and 2010, certain investments were considered other-than-temporarily impaired, resulting in a write-down of 208 million yen, 67 million yen and 374 million yen, respectively.

At March 31, 2012 and 2011, equity securities with a book value of 32,130 million yen and 14,047 million yen were pledged as collateral for the deferred payments of certain taxes based on the Japanese Custom Act and Consumption Tax Law, respectively.

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(6) Leases

The Company has capital and operating leases for certain land, buildings, machinery and equipment, and finite-lived intangible assets with SPFC and other third parties.

During the years ended March 31, 2012, 2011 and 2010, the Company sold and leased back some of land, buildings, and machinery and equipment for 21,783 million yen, 126,639 million yen and 95,316 million yen, respectively. The base lease term ranges up to 10 years. The resulting leases are being accounted for as operating leases or capital leases. The amortization of deferred gains of these transactions, included in other income in the consolidated statements of operations, were not significant. Regarding certain leased assets, the Company has options to purchase the leased assets, or to terminate the leases and guarantee a specified value of the leased assets thereof, subject to certain conditions, during or at the end of the lease term. Regarding leased land and buildings, there are no future commitments, obligations, provisions, or circumstances that require or result in the Company's continuing involvement.

At March 31, 2012 and 2011, the gross book value of land, buildings, machinery and equipment, and finite-lived intangible assets under capital leases, including the above-mentioned sale-leaseback transactions was 72,931 million yen and 137,783 million yen, and the related accumulated amortization recorded was 34,712 million yen and 48,744 million yen, respectively.

Rental expenses for operating leases, including the above-mentioned sale-leaseback transactions were 84,062 million yen, 88,473 million yen and 64,124 million yen for the years ended March 31, 2012, 2011 and 2010, respectively.

Future minimum lease payments under non-cancelable capital leases and operating leases at March 31, 2012 are as follows:

	Yen (millions)	
Year ending March 31	**Capital leases**	**Operating leases**
2013	18,084	46,415
2014	14,613	32,835
2015	10,601	15,211
2016	8,527	5,715
2017	7,922	3,326
Thereafter	18,982	14,254
Total minimum lease payments	78,729	117,756
Less amount representing interest	4,647	
Present value of net minimum lease payments	74,082	
Less current portion	16,740	
Long-term capital lease obligations	57,342	

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(7) Long-Lived Assets

The Company periodically reviews the recorded value of its long-lived assets to determine if the future cash flows to be derived from these assets or related asset group will be sufficient to recover the remaining recorded asset values. Impairment losses are included in other deductions in the consolidated statements of operations, and are not charged to segment profit.

The disclosure below has been modified to reflect the revised segments.

The Company recognized impairment losses in the aggregate of 399,259 million yen of long-lived assets during fiscal 2012.

The Company recorded impairment losses for certain buildings, machinery and equipment, and finite-lived intangible assets related to certain domestic flat TV manufacturing facilities in “AVC Networks” segment. As a result of the continuously substantial decline of product prices and the yen appreciation, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value of buildings was determined through an appraisal based on the repurchase cost. The fair value of machinery and equipment was determined through an appraisal based on the repurchase cost or net realizable value. The fair value of finite-lived intangible assets was determined based on the discounted estimated cash flows expected to result from the use and eventual disposition of the assets.

The Company recorded impairment losses for certain machinery and equipment related to domestic semiconductor manufacturing facilities in “Industrial Devices” segment. As a result of the decline in market demand and per unit selling price of Digital AV products on which semiconductor business is heavily dependent as a supplier, the Company decided to cease the use of the above-mentioned facilities. The fair value of machinery and equipment was determined through an appraisal based on the net realizable value.

The Company recorded impairment losses of 25,536 million yen for certain finite-lived intangible assets related to customer relationship, and patents and know-how of optical pick-up business in “Industrial Devices” segment. As a result of the decline of product prices and the increase in material cost, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value was mainly determined based on excess earnings method and relief-from-royalty method.

The Company recorded impairment losses of 95,546 million yen for certain finite-lived intangible assets related to customer relationship, and patents and know-how of consumer lithium-ion battery business in “Energy” segment. As a result of decline of the product prices and the yen appreciation, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value was mainly determined based on excess earnings method and relief-from-royalty method.

Impairment losses of 212,151 million yen, 78,406 million yen, 99,183 million yen and 9,519 million yen were related to “AVC Networks,” “Industrial Devices,” “Energy” and the remaining segments, respectively.

On March 5, 2012, the Company and Innovation Network Corporation of Japan reached a final agreement regarding the sale of the Mobara plant of Panasonic Liquid Crystal Display Co., Ltd., a subsidiary of the Company, to Japan Display Inc. The Company classified these buildings, machinery and equipment, and finite-lived intangible assets related to the plant as assets held for sale and these assets were included in other current assets in the consolidated balance sheet at March 31, 2012. The Company sold these assets in April 2012.

The Company recognized impairment losses in the aggregate of 34,692 million yen of long-lived assets during fiscal 2011.

The Company recorded impairment losses for certain machinery and equipment, and other assets related to domestic and overseas flat TV manufacturing facilities. As a result of the continuously substantial decline of

product prices and the yen appreciation, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value was determined through an appraisal based on the repurchase cost.

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The Company recorded impairment losses for certain finite-lived intangible assets related to right of trademark of "SANYO." The Company decided "Panasonic" will be the only brand that conveys corporate messages for all the business groups, except for certain regions and products, and as a result, the Company estimated the carrying amounts of the assets would not be recoverable through future cash flows. The fair value was based on the discounted estimated cash flows expected to result from the use of the assets.

Impairment losses of 12,380 million yen, 2,004 million yen, 4,176 million yen, 2,092 million yen, 8,561 million yen, 3,056 million yen and 2,423 million yen were related to "AVC Networks," "Systems & Communications," "Eco Solutions," "Industrial Devices," "Energy," "Other" and the remaining segments, respectively.

The Company recognized impairment losses in the aggregate of 79,259 million yen of long-lived assets during fiscal 2010.

The Company recorded impairment losses for certain machinery and finite-lived intangible assets related to domestic liquid crystal display panel manufacturing facilities. As a result of the continuously substantial decline of product prices, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value was based on the discounted estimated cash flows expected to result from the use and eventual disposition of the assets.

The Company recorded impairment losses for certain land, buildings, and machinery and equipment related to domestic battery manufacturing facilities. Due to the revamp of manufacturing capacity of the lithium-ion battery business, certain factories experienced a downturn in profitability. In addition, the Company had to transfer a part of its nickel-hydrogen battery business in relation to the acquisition of SANYO. As a result, the carrying amounts of certain domestic battery manufacturing facilities would not be recoverable through future cash flows. The fair value of land was determined through an appraisal based on the comparable sales method. The fair value of buildings, and machinery and equipment was determined through an appraisal based on the repurchase cost.

Impairment losses of 36,672 million yen, 8,193 million yen, 6,935 million yen, 19,629 million yen and 7,830 million yen were related to "AVC Networks," "Appliances," "Eco Solutions," "Energy" and the remaining segments, respectively.

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(8) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by segment for the years ended March 31, 2012 and 2011, which have been modified to reflect the revised segments, are as follows:

	Yen (millions)								
	AVC Networks	Appliances	Systems & Communications	Eco Solutions	Automotive Systems	Industrial Devices	Energy	Other	Total
Balance at March 31, 2010:									
Goodwill	43,483	32,287	222,815	112,026	73,307	175,202	274,963	70,012	1,004,095
Accumulated impairment losses	—	(3,745)	(77,349)	—	—	—	—	—	(81,094)
	43,483	28,542	145,466	112,026	73,307	175,202	274,963	70,012	923,001
Goodwill acquired during the year	3,561	—	—	1,087	—	—	—	—	4,648
Translation adjustments	—	—	—	(2,897)	—	—	—	—	(2,897)
Balance at March 31, 2011:									
Goodwill	47,044	32,287	222,815	110,216	73,307	175,202	274,963	70,012	1,005,846
Accumulated impairment losses	—	(3,745)	(77,349)	—	—	—	—	—	(81,094)
	47,044	28,542	145,466	110,216	73,307	175,202	274,963	70,012	924,752
Goodwill Acquired during the year	575	—	—	—	—	—	—	—	575
Goodwill impaired during the year	(8,394)	—	—	—	—	(71,617)	(73,387)	(10,504)	(163,902)
Translation adjustments	—	—	—	(3,710)	—	—	—	—	(3,710)
Other	—	—	—	—	—	—	—	(298)	(298)
Balance at March 31, 2012:									
Goodwill	47,619	32,287	222,815	106,506	73,307	175,202	274,963	69,714	1,002,413
Accumulated impairment losses	(8,394)	(3,745)	(77,349)	—	—	(71,617)	(73,387)	(10,504)	(244,996)
	39,225	28,542	145,466	106,506	73,307	103,585	201,576	59,210	757,417

The Company recorded an impairment loss of 26,988 million yen for the year ended March 31, 2012 related to goodwill of semiconductor business in "Industrial Devices" segment. This impairment was due to a decrease in the estimated fair value of the reporting unit caused by the decline in market demand and per unit selling price of Digital AV products on which semiconductor business is heavily dependent as a supplier. The fair value was determined based on the combination of discounted cash flow method and guideline public company method.

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The Company recorded an impairment loss of 44,629 million yen for the year ended March 31, 2012 related to goodwill of optical pick-up business in "Industrial Devices" segment. This impairment was due to a decrease in the estimated fair value of the reporting unit caused by the decline of product prices and the increase in material cost. The fair value was determined based on the combination of discounted cash flow method, guideline public company method and guideline transaction method.

The Company recorded an impairment loss of 73,387 million yen for the year ended March 31, 2012 related to goodwill of consumer lithium-ion battery business in "Energy" segment. This impairment was due to a decrease in the estimated fair value of the reporting unit caused by the decline of product prices and the yen appreciation. The fair value was determined based on the combination of discounted cash flow method, guideline public company method and guideline transaction method.

The Company recorded an impairment loss of 8,394 million yen and 10,504 million yen for the year ended March 31, 2012 related to "AVC Networks" and "Other" segment, respectively. These impairments were due to a downturn in profitability and the fair value was determined based on the discounted cash flow method.

Intangible assets, excluding goodwill, at March 31, 2012 and 2011 are as follows:

	Yen (millions)			
	2012		2011	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Finite-lived intangible assets:				
Patents and know-how	301,614	106,291	451,868	97,450
Software	321,623	255,040	298,328	229,132
Other	115,728	36,738	163,220	47,180
	738,965	398,069	913,416	373,762

	Yen (millions)	
	2012	2011
Indefinite-lived intangible assets	4,855	3,133

Aggregate amortization expense for finite-lived intangible assets for each of the years ended March 31, 2012, 2011 and 2010 was 78,455 million yen, 82,762 million yen and 46,175 million yen, respectively.

Estimated amortization expenses for the next five years are as follows:

Year ending March 31	Yen (millions)
2013	60,239
2014	51,955
2015	42,990
2016	34,447
2017	26,371

There were no impairment losses of indefinite-lived intangible assets for each of the three years ended March 31, 2012. Impairment losses of finite-lived intangible assets are included in impairment losses of long-lived assets discussed in Note 7.

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(9) Long-term Debt and Short-term Debt

Long-term debt at March 31, 2012 and 2011 is set forth below:

	Yen (millions)	
	2012	2011
Unsecured Straight bond, due 2011, interest 1.64%	—	100,000
Unsecured Straight bond, due 2012, interest 1.14%	—	100,000
Unsecured Straight bond, due 2013, interest 0.38%	150,000	150,000
Unsecured Straight bond, due 2013, interest 0.82% *1	10,000	—
Unsecured Straight bond, due 2013, interest 1.49% *2	20,000	—
Unsecured Straight bond, due 2014, interest 1.404%	200,000	200,000
Unsecured Straight bond, due 2014, interest 2.02% *1	31,769	—
Unsecured Straight bond, due 2015, interest 1.66% *2	39,996	—
Unsecured Straight bond, due 2016, interest 0.752%	200,000	200,000
Unsecured Straight bond, due 2018, interest 1.081%	150,000	150,000
Unsecured Straight bond, due 2019, interest 2.05%	100,000	100,000
Unsecured Straight bond, due 2019, interest 1.593% *2	30,000	—
Unsecured Straight bonds issued by subsidiaries, due 2011 - 2019, interest 0.82% - 2.02% *1,2	—	162,407
Unsecured bank loans, due 2011 - 2015, effective interest 1.0% in fiscal 2012 and 1.1% in fiscal 2011	149,814	259,801
Secured bank loans by subsidiaries, due 2011 - 2027, effective interest 1.84% in fiscal 2012 and 1.91% in fiscal 2011	1,732	3,473
Capital lease obligations	74,082	110,177
	1,157,393	1,535,858
Less current portion	215,625	373,571
	941,768	1,162,287

*1 Bonds originally issued by SANYO were transferred to the Company in fiscal 2012.
*2 Bonds originally issued by Panasonic Electric Works Co., Ltd. (PEW) were transferred to the Company in fiscal 2012.

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The aggregate annual maturities of long-term debt after March 31, 2012 are as follows:

Year ending March 31	**Yen (millions)**
2013	215,625
2014	285,960
2015	100,584
2016	248,594
2017	7,659
2018 and thereafter	298,971

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, as the obligations become due, or in the event of their default, to offset cash deposits against such obligations due to the bank. At March 31, 2012 and 2011, loans subject to such general agreements amounted to 1,732 million yen and 3,899 million yen, respectively.

Each of the loan agreements grants the lender the right to request additional security or mortgages on certain assets. At March 31, 2012 and 2011, other investments and advances, and property, plant and equipment with a book value of 2,550 million yen and 8,945 million yen respectively, were pledged as collateral by subsidiaries for secured loans from banks.

The balance of short-term debt also includes borrowings under acceptances and short-term loans of foreign subsidiaries. Additionally, the balance of short-term debt at March 31, 2012 includes 369,489 million yen of short-term bonds, which were newly issued during fiscal 2012. The weighted-average interest rate on short-term debt outstanding at March 31, 2012 and 2011 was 0.6% and 2.8%, respectively.

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(10) Retirement and Severance Benefits

The Company and certain subsidiaries have contributory, funded benefit pension plans covering substantially all employees who meet eligibility requirements. Benefits under the plans are primarily based on the combination of years of service and compensation.

In addition to the plans described above, upon retirement or termination of employment for reasons other than dismissal, employees are entitled to lump-sum payments based on the current rate of pay and length of service. If the termination is involuntary or caused by death, the severance payment is greater than in the case of voluntary termination. The lump-sum payment plans are not funded.

Effective April 1, 2002, the Company and some of the subsidiaries amended their benefit pension plans by introducing a "point-based benefits system," and their lump-sum payment plans to cash balance pension plans. Under the point-based benefits system, benefits are calculated based on accumulated points allocated to employees each year according to their job classification and years of service. Under the cash balance pension plans, each participant has an account which is credited yearly based on the current rate of pay and market-related interest rate.

Reconciliation of beginning and ending balances of the benefit obligations of the contributory, funded benefit pension plans, the unfunded lump-sum payment plans, and the cash balance pension plans, and the fair value of the plan assets at March 31, 2012 and 2011 are as follows:

	Yen (millions)	
	2012	**2011**
Change in benefit obligations:		
Benefit obligations at beginning of year	2,241,669	2,214,107
Service cost	55,368	55,371
Interest cost	54,552	57,093
Prior service benefit	28,019	—
Actuarial loss	84,360	29,895
Benefits paid	(159,892)	(109,591)
Effect of changes in consolidated subsidiaries	—	8,391
Foreign currency exchange impact	(886)	(4,649)
Curtailments, settlements and other	(9,546)	(8,948)
Benefit obligations at end of year	2,293,644	2,241,669
Change in plan assets:		
Fair value of plan assets at beginning of year	1,746,518	1,775,007
Actual return on plan assets	31,681	(16,703)
Employer contributions	78,728	93,612
Benefits paid	(133,310)	(100,004)
Effect of changes in consolidated subsidiaries	—	3,646
Foreign currency exchange impact	(1,021)	(4,145)
Curtailments, settlements and other	(1,198)	(4,895)
Fair value of plan assets at end of year	1,721,398	1,746,518
Funded status	(572,246)	(495,151)

The accumulated benefit obligation for the pension plans was 2,246,385 million yen and 2,184,954 million yen at March 31, 2012 and 2011, respectively.

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The projected benefit obligations and the fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligations and the fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets at March 31, 2012 and 2011 are as follows:

	Yen (millions)	
	2012	**2011**
Plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligations	2,209,646	2,135,047
Fair value of plan assets	1,636,662	1,635,656
Plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligations	2,162,639	2,078,759
Fair value of plan assets	1,636,662	1,632,963

Accounts recognized in the consolidated balance sheet at March 31, 2012 and 2011 consist of:

	Yen (millions)	
	2012	**2011**
Other assets	738	4,240
Other current liabilities	(6,434)	(6,431)
Retirement and severance benefits	(566,550)	(492,960)
	(572,246)	(495,151)

Amounts recognized in accumulated other comprehensive income (loss) at March 31, 2012 and 2011 consist of:

	Yen (millions)	
	2012	**2011**
Prior service benefit	(122,795)	(172,964)
Actuarial loss	588,447	530,195
	465,652	357,231

Net periodic benefit cost for the contributory, funded benefit pension plans, the unfunded lump-sum payment plans, and the cash balance pension plans of the Company for each of the three years ended March 31, 2012 consist of the following components:

	Yen (millions)		
	2012	**2011**	**2010**
Service cost—benefits earned during the year	55,368	55,371	50,285
Interest cost on projected benefit obligation	54,552	57,093	51,239
Expected return on plan assets	(52,299)	(55,583)	(43,971)
Amortization of prior service benefit	(23,347)	(24,544)	(25,011)
Recognized actuarial loss	31,203	25,493	39,758

Losses on curtailments and settlements	10,419	2,123	3,818
Net periodic benefit cost	75,896	59,953	76,118

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The estimated prior service benefit and actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost for fiscal 2013 are gains of 22,259 million yen and losses of 32,802 million yen, respectively.

Weighted-average assumptions used to determine benefit obligations at March 31, 2012 and 2011 are as follows:

	2012	2011
Discount rate	2.2%	2.5%
Rate of compensation increase	1.8%	1.8%

Weighted-average assumptions used to determine net periodic benefit cost for the three years ended March 31, 2012 are as follows:

	2012	2011	2010
Discount rate	2.5%	2.6%	2.7%
Expected return on plan assets	3.1%	3.2%	3.1%
Rate of compensation increase	1.8%	1.8%	1.7%

The expected return on plan assets is determined based on the portfolio as a whole and not on the sum of the returns on individual asset categories, considering long-term historical returns, asset allocation, and future estimates of long-term investment returns.

Each plan of the Company has a different investment policy, which is designed to ensure sufficient plan assets are available to provide future payments of pension benefits to the eligible plan participants and is individually monitored for compliance and appropriateness on an on-going basis. Considering the expected long-term rate of return on plan assets, each plan of the Company establishes a "basic" portfolio comprised of the optimal combination of equity securities and debt securities. Plan assets are invested in individual equity and debt securities using the guidelines of the "basic" portfolio in order to generate a total return that will satisfy the expected return on a mid-term to long-term basis. The Company evaluates the difference between expected return and actual return of invested plan assets on an annual basis to determine if such differences necessitate a revision in the formulation of the "basic" portfolio. The Company revises the "basic" portfolio when and to the extent considered necessary to achieve the expected long-term rate of return on plan assets.

The Company's pension plan assets allocation is approximately 40% for equity securities, approximately 40% for debt securities, and approximately 20% for other investments, primarily in life insurance company general accounts.

For the Company's major defined benefit pension plans, equity investments are invested mainly in listed equity securities, broadly in Japanese equity, developed international equity and emerging markets. The debt securities investments are comprised primarily of government, municipal, and corporate bonds. The Company mainly chooses debt securities with rating above BBB, high liquidity and appropriate repayment, and has appropriately diversified the investments by sector and geography. As for investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital. Other investments include fund-of-funds investment, equity long/short hedge funds investment and private equity investment. Fund-of-funds investment and equity long/short hedge funds investment are primarily invested in listed equity securities with frequency of transactions and stable return, while private equity investment are diversified products with low correlation.

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The fair values of the Company's pension plan assets at March 31, 2012 and 2011, by asset category are as follows:

	Yen (millions)			
	2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	22,503	28,345	—	50,848
Equity securities:				
Japanese companies	84,697	—	—	84,697
Foreign companies	78,952	—	—	78,952
Commingled funds (a)	—	457,196	—	457,196
Debt securities:				
Government and Municipal bonds	133,962	—	—	133,962
Corporate bonds	—	50,011	—	50,011
Commingled funds (b)	—	526,810	—	526,810
Life insurance company general accounts	—	196,880	—	196,880
Other (c)	—	121,470	20,572	142,042
Total	320,114	1,380,712	20,572	1,721,398

	Yen (millions)			
	2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	42,417	11,191	—	53,608
Equity securities:				
Japanese companies	86,831	—	—	86,831
Foreign companies	113,294	2,236	—	115,530
Commingled funds (a)	71	444,559	—	444,630
Debt securities:				
Government and Municipal bonds	177,679	—	—	177,679
Corporate bonds	—	45,019	—	45,019
Commingled funds (b)	—	474,016	—	474,016
Life insurance company general accounts	—	198,010	—	198,010
Other (c)	—	130,181	21,014	151,195
Total	420,292	1,305,212	21,014	1,746,518

(a) These funds invest mainly in listed equity securities, approximately 60% Japanese companies and 40% foreign companies.
(b) These funds primarily invest in Japanese government bonds and foreign government bonds.
(c) Other investments primarily include fund-of-funds investment and equity long/short hedge funds investment.

The three levels of the fair value hierarchy are discussed in Note 18.

Level 1 assets are comprised principally of equity securities and government and municipal bonds, which are

valued using unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 assets are comprised principally of commingled funds, which are valued at their net asset values that are calculated by the fund and have daily liquidity, corporate bonds, which are valued based on quoted prices for identical assets in market that are not active, and life insurance company general accounts, which are valued at conversion value. Fund of funds investment and hedge funds investment that use equity long/short strategies, which primarily invest in listed equity securities and debt securities, are valued based on net asset value.

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Level 3 assets are comprised principally of collateralized loan obligation investment and private equity investment, which are valued based on prices and other relevant information such as similar market transactions and latest round of financing data.

The reconciliation of the beginning and ending balances of level 3 assets at March 31, 2012 and 2011, are as follows:

	Yen (millions)		
	Collateralized loan obligation	Private equity	Total
Balance at April 1, 2010	8,715	6,397	15,112
Realized gains (losses)	2,167	—	2,167
Unrealized gains (losses) relating to assets held	3,036	(330)	2,706
Purchases, sales, issuances and settlements, net	912	1,663	2,575
Transfers out of Level 3	(1,546)	—	(1,546)
Balance at March 31, 2011	13,284	7,730	21,014
Realized gains (losses)	2,515	1,656	4,171
Unrealized gains (losses) relating to assets held	(775)	71	(704)
Purchases, sales, issuances and settlements, net	(2,397)	765	(1,632)
Transfers out of Level 3	(2,277)	—	(2,277)
Balance at March 31, 2012	10,350	10,222	20,572

The Company expects to contribute 89,796 million yen to its defined benefit plans in fiscal 2013.

The benefits expected to be paid from the defined pension plans in each fiscal year 2013 – 2017 are 116,691 million yen, 116,306 million yen, 119,053 million yen, 120,245 million yen and 118,469 million yen, respectively. The aggregate benefits expected to be paid in the five years from fiscal 2018 – 2022 are 643,928 million yen. The expected benefits are based on the same assumptions used to measure the Company’s benefit obligation at March 31 and include estimated future employee service.

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(11) Income Taxes

Income (loss) before income taxes and income taxes for each of the three years ended March 31, 2012 are summarized as follows:

	Yen (millions)		
	Domestic	Foreign	Total
For the year ended March 31, 2012			
Income (loss) before income taxes	(838,217)	25,373	(812,844)
Income taxes:			
Current	26,346	42,860	69,206
Deferred	(58,706)	(733)	(59,439)
Total income taxes	(32,360)	42,127	9,767
For the year ended March 31, 2011			
Income before income taxes	23,356	155,451	178,807
Income taxes:			
Current	28,479	60,431	88,910
Deferred	20,913	(6,813)	14,100
Total income taxes	49,392	53,618	103,010
For the year ended March 31, 2010			
Income (loss) before income taxes	(80,125)	50,810	(29,315)
Income taxes:			
Current	22,105	36,042	58,147
Deferred	80,954	2,732	83,686
Total income taxes	103,059	38,774	141,833

The Company and its subsidiaries in Japan are subject to a National tax of 30%, an Inhabitant tax of approximately 20.5%, and a deductible Enterprise tax of approximately 7.4% varying by local jurisdiction, which, in aggregate, resulted in a combined statutory tax rate in Japan of approximately 40.5% for the three years ended March 31, 2012.

The effective tax rates for each of the years differ from the combined statutory tax rates for the following reasons:

	2012	2011	2010
Combined statutory tax rate	(40.5)%	40.5%	(40.5)%
Lower tax rates of overseas subsidiaries	(0.4)	(15.4)	(38.4)
Expenses not deductible for tax purposes	0.5	3.2	25.7
Change in valuation allowance allocated to income tax expenses	27.2	24.4	473.8
Tax effects attributable to investments in subsidiaries	0.8	2.2	45.7
Per capita tax	0.2	1.2	8.3
Goodwill impairment	8.2	—	5.2
Effect of enacted changes in Japanese tax laws and rates	3.7	—	—

Other	1.5	1.5	4.0
Effective tax rate	1.2%	57.6%	483.8%

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For the year ended March 31, 2012, Japanese corporate tax law and statutory tax rates to apply to taxable income from next year onwards were enacted in Japan. Tax law changes result in reductions in rates in two steps in future years. In consequence, the Company has recorded income tax expense of 25,536 million yen for adjustments of deferred tax assets and liabilities.

The significant components of deferred income tax expenses for the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	2011	2010
Deferred tax expense (exclusive of the effects of other components listed below)	(50,086)	31,999	111,579
Adjustments of deferred tax assets and liabilities for enacted changes in Japanese tax laws and rates	25,536	—	—
Benefits of net operating loss carryforwards	(34,889)	(17,899)	(27,893)
	(59,439)	14,100	83,686

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2012 and 2011 are presented below:

	Yen (millions)	
	2012	2011
Deferred tax assets:		
Inventory valuation	81,004	87,647
Expenses accrued for financial statement purposes but not currently included in taxable income	179,860	171,779
Property, plant and equipment	240,033	231,987
Retirement and severance benefits	236,565	273,830
Tax loss carryforwards	723,897	653,378
Other	178,700	181,190
Total gross deferred tax assets	1,640,059	1,599,811
Less valuation allowance	1,029,825	990,354
Net deferred tax assets	610,234	609,457
Deferred tax liabilities:		
Net unrealized holding gains of available-for-sale securities	(20,604)	(26,130)
Intangible assets	(89,442)	(166,403)
Other	(65,595)	(82,936)
Total gross deferred tax liabilities	(175,641)	(275,469)
Net deferred tax assets	434,593	333,988

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax

assets is dependent upon the generation of future taxable income during the periods in which those temporary differences and loss carryforwards become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences and loss carryforwards, net of the existing valuation allowances at March 31, 2012.

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The net change in total valuation allowance for the years ended March 31, 2012, 2011 and 2010 was an increase of 39,471 million yen, a decrease of 24,349 million yen and an increase of 536,706 million yen, respectively.

At March 31, 2012, the Company had, for income tax purposes, net operating loss carryforwards of approximately 2,144,980 million yen, of which 1,991,944 million yen expire from fiscal 2013 through 2021 and the remaining balance will expire thereafter or do not expire. At March 31, 2012, the Company had, for income tax purposes, tax credit carryforwards of approximately 46,983 million yen, which expire from fiscal 2013 through 2015.

Net deferred tax assets and liabilities at March 31, 2012 and 2011 are reflected in the accompanying consolidated balance sheets under the following captions:

	Yen (millions)	
	2012	**2011**
Other current assets	226,180	254,413
Other assets	338,754	329,920
Other current liabilities	(4,789)	(1,466)
Other liabilities	(125,552)	(248,879)
Net deferred tax assets	434,593	333,988

The Company has not recognized a deferred tax liability for the undistributed earnings of its foreign subsidiaries and foreign corporate joint ventures of 920,083 million yen as of March 31, 2012, because the Company currently does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A deferred tax liability will be recognized when the Company no longer plans to indefinitely reinvest undistributed earnings. The calculation of related unrecognized deferred tax liability is not practicable.

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits for each of the three years ended March 31, 2012 is as follows:

	Yen (millions)		
	2012	2011	2010
Balance at beginning of year	(14,693)	(9,843)	(7,187)
Increase related to prior year tax positions	(6,058)	(5,690)	(685)
Decrease related to prior year tax positions	1,435	532	1,780
Increase related to current year tax positions	(3,541)	(1,986)	(1,195)
Change in consolidated subsidiaries	1,616	—	(3,339)
Settlements	5,646	1,451	747
Translation adjustments	284	843	36
Balance at end of year	(15,311)	(14,693)	(9,843)

As of March 31, 2012, 2011 and 2010, the total amount of unrecognized tax benefits are 14,457 million yen, 14,175 million yen and 9,843 million yen, respectively, that if recognized, would reduce the effective tax rate. It is reasonably possible that developments on tax matters in certain tax jurisdictions may result in approximately twenty percent decrease of the Company's total unrecognized tax benefits within the next twelve months. The Company has accrued interests and penalties related to unrecognized tax benefits and the amount of interest and penalties included in provision for income taxes and cumulative amount accrued were not material as of and for the years ended March 31, 2012, 2011 and 2010.

The Company files income tax returns in Japan and various foreign tax jurisdictions. There are a number of subsidiaries which operate within each of the Company's major jurisdictions resulting in a range of open tax years. The open tax year for the Company is fiscal 2012. The open tax years for its significant subsidiaries in Japan, the United States of America, the United Kingdom and China range from fiscal 2004 and thereafter.

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(12) Stockholders' Equity

The Company may repurchase its common stock from the market pursuant to the Company Law of Japan. For the years ended March 31, 2012, 2011 and 2010, respectively, 635,123 shares, 327,193 shares and 53,863 shares were repurchased.

The Company sold 242,043,928 shares, 15,100 shares and 17,731 shares of its treasury stock for the years ended March 31, 2012, 2011 and 2010, respectively. Sales of treasury stock for the year ended March 31, 2012 includes the share exchange of treasury stock to noncontrolling interest holders. On April 1, 2011, PEW and SANYO became wholly-owned subsidiaries through the share exchange in order to accelerate synergy generation and maximize synergy. All the shares delivered by the Company were sourced from its treasury stocks (241,961,655 shares) held by the Company. As a result, treasury stock decreased by 424,010 million yen. The difference between the fair value of the shares of the Company delivered to the noncontrolling interest and the decrease in the carrying amount of the treasury stock was recognized as an adjustment to capital surplus and retained earnings in the consolidated balance sheets.

The Company Law of Japan provides that an amount equal to 10% of appropriations be appropriated as a capital reserve or legal reserve until the aggregated amount of capital reserve and legal reserve equals 25% of stated capital. The capital reserve and legal reserve are not available for dividends but may be transferred to capital surplus or retained earnings or stated capital upon approval of the shareholders' meeting.

Cash dividends and transfers to the legal reserve charged to retained earnings during the three years ended March 31, 2012 represent dividends paid out during the periods and related appropriation to the legal reserve. Cash dividends per share paid during each of the three years ended March 31, 2012 amounted to 10.00 yen, 10.00 yen and 12.50 yen, respectively. The accompanying consolidated financial statements do not include any provisions for the year-end dividend of 5.0 yen per share, totaling approximately 11,559 million yen in respect of the year ended March 31, 2012 approved by the board of directors in May 2012.

In accordance with the Company Law of Japan, there are certain restrictions on payment of dividends in connection with the treasury stock repurchased. As a result of restrictions on the treasury stock repurchased, retained earnings of 247,277 million yen at March 31, 2012 were restricted as to the payment of cash dividends.

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(13) Other Comprehensive Income (Loss)

Components of other comprehensive income (loss) for each of the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	Pre-tax amount	Tax expense	Net-of-tax amount
For the year ended March 31, 2012			
Translation adjustments:			
Translation adjustments arising during the period	(27,206)	—	(27,206)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	6,260	—	6,260
Net translation adjustments	(20,946)	—	(20,946)
Unrealized holding gains (losses) of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	(7,989)	4,887	(3,102)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	(374)	151	(223)
Net unrealized gains (losses)	(8,363)	5,038	(3,325)
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	(583)	3	(580)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	(9,556)	4,118	(5,438)
Net unrealized gains (losses)	(10,139)	4,121	(6,018)
Pension liability adjustments:			
Prior service benefit arising during the period	(28,019)	11,348	(16,671)
Less: Amortization of prior service benefit included in net periodic benefit cost	(23,117)	9,772	(13,345)
Net prior service benefit	(51,136)	21,120	(30,016)
Actuarial gain (loss) arising during the period	(100,235)	26,854	(73,381)
Less: Amortization of actuarial gain (loss) included in net periodic benefit cost	40,941	(16,272)	24,669

Net actuarial gain (loss)	(59,294)	10,582	(48,712)
Net pension liability adjustments	(110,430)	31,702	(78,728)
Other comprehensive income (loss)	(149,878)	40,861	(109,017)

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	Yen (millions)		
	Pre-tax amount	**Tax expense**	**Net-of-tax amount**
For the year ended March 31, 2011			
Translation adjustments:			
Translation adjustments arising during the period	(88,016)	—	(88,016)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	2,001	—	2,001
Net translation adjustments	(86,015)	—	(86,015)
Unrealized holding gains (losses) of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	(53,060)	21,554	(31,506)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	14,645	(5,928)	8,717
Net unrealized gains (losses)	(38,415)	15,626	(22,789)
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	16,125	(7,364)	8,761
Less: Reclassification adjustment for (gains) losses included in net income (loss)	(12,947)	5,174	(7,773)
Net unrealized gains (losses)	3,178	(2,190)	988
Pension liability adjustments:			
Prior service benefit arising during the period	—	—	—
Less: Amortization of prior service benefit included in net periodic benefit cost	(23,803)	10,077	(13,726)
Net prior service benefit	(23,803)	10,077	(13,726)
Actuarial gain (loss) arising during the period	(99,459)	33,979	(65,480)
Less: Amortization of actuarial gain (loss) included in net periodic benefit cost	26,276	(10,437)	15,839
Net actuarial gain (loss)	(73,183)	23,542	(49,641)
Net pension liability adjustments	(96,986)	33,619	(63,367)

Other comprehensive income (loss)	(218,238)	47,055	(171,183)

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	Yen (millions)		
	Pre-tax amount	Tax expense	Net-of-tax amount
For the year ended March 31, 2010			
Translation adjustments:			
Translation adjustments arising during the period	(21,186)	—	(21,186)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	10,129	—	10,129
Net translation adjustments	(11,057)	—	(11,057)
Unrealized holding gains (losses) of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	88,042	(36,356)	51,686
Less: Reclassification adjustment for (gains) losses included in net income (loss)	(703)	280	(423)
Net unrealized gains (losses)	87,339	(36,076)	51,263
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	4,607	(1,543)	3,064
Less: Reclassification adjustment for (gains) losses included in net income (loss)	4,657	(1,560)	3,097
Net unrealized gains (losses)	9,264	(3,103)	6,161
Pension liability adjustments:			
Prior service benefit arising during the period	—	—	—
Less: Amortization of prior service benefit included in net periodic benefit cost	(23,947)	8,962	(14,985)
Net prior service benefit	(23,947)	8,962	(14,985)
Actuarial gain (loss) arising during the period	139,867	(49,300)	90,567
Less: Amortization of actuarial gain (loss) included in net periodic benefit cost	39,159	(14,963)	24,196
Net actuarial gain (loss)	179,026	(64,263)	114,763
Net pension liability adjustments	155,079	(55,301)	99,778

Other comprehensive income (loss)	240,625	(94,480)	146,145

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(14) Net Income (Loss) per Share Attributable to Panasonic Corporation Common Shareholders

A reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share attributable to Panasonic Corporation common shareholders computation for each of the three years ended March 31, 2012 is as follows:

	Yen (millions)		
	2012	2011	2010
Net income (loss) attributable to Panasonic Corporation common shareholders	(772,172)	74,017	(103,465)

	Number of shares		
	2012	2011	2010
Average common shares outstanding	2,312,167,772	2,070,341,989	2,070,623,618

	Yen		
	2012	2011	2010
Net income (loss) per share attributable to Panasonic Corporation common shareholders:			
Basic	(333.96)	35.75	(49.97)
Diluted	—	—	—

Diluted net income (loss) per share attributable to Panasonic Corporation common shareholders for the years ended March 31, 2010 through 2012 has been omitted because the Company did not have potentially dilutive common shares that were outstanding for the period.

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(15) Restructuring Charges

In connection with the reorganization of the Company's operations, the Company has incurred certain restructuring charges. Components and related amounts of the restructuring charges, before the related tax effects, for each of the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	2011	2010
Expenses associated with the implementation of early retirement programs:			
Domestic	91,880	14,312	33,070
Overseas	9,114	3,359	5,884
Total	100,994	17,671	38,954
Expenses associated with the closure and integration of locations	83,459	39,282	15,918
Total restructuring charges	184,453	56,953	54,872

These restructuring charges are included in other deductions in the consolidated statements of operations.

The Company has provided early retirement programs to those employees voluntarily leaving the Company. The accrued early retirement benefits are recognized when the employees accept the offer and the amount can be reasonably estimated. Expenses associated with the closure and integration of locations include amounts such as moving expenses of facilities and costs to terminate leasing contracts incurred at domestic and overseas manufacturing plants and sales offices. An analysis of the accrued restructuring charges for each of the three years ended March 31, 2012 is as follows:

	Yen (millions)		
	2012	2011	2010
Balance at beginning of year	31,492	9,389	32,523
New charges	184,453	56,953	54,872
Cash payments or otherwise settled	(145,003)	(34,850)	(78,006)
Balance at end of year	70,942	31,492	9,389

The restructuring activities are generally insignificant on an individual activity basis and are short term in nature and are generally completed within one year of initiation. The total amount of costs expected to be incurred in connection with the activity are generally not materially different from the respective restructuring charges as disclosed below except as indicated otherwise. Furthermore, the amounts of restructuring costs incurred subsequent to the fiscal year end of the initiation of any given restructuring activity are not significant except as indicated otherwise.

The disclosure below has been modified to reflect the revised segments.

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The following description represents restructuring activities for the year ended March 31, 2012 by segment:

AVC Networks
AVC Networks segment restructured its operations to improve cost competitiveness through selection and concentration of business mainly in Japan. Total restructuring charges amounting to 79,287 million yen included implementation of early retirement programs of 18,729 million yen and closure and integration of manufacturing locations in the amount of 60,558 million yen. The ending liability balance amounted to 45,819 million yen and 174 million yen for the years ended March 31, 2012 and 2011, respectively.

In addition to various restructuring activities in this segment, the Company made a decision to shut off production in domestic plasma display panel fifth factory of Panasonic Plasma Display Co., Ltd., a subsidiary of the Company. Due to the continuously substantial decline of product prices caused by intense price competition and the yen appreciation, the profitability of the flat-panel TV business declined significantly. The Company decided to restructure the panel business to optimize its production scale by consolidating manufacturing sites. The restructuring activity and material cash outlays are expected to take place through fiscal 2015. The total amount expected to be incurred in connection with the activity and the actual amount incurred for the year ended March 31, 2012 amounted to 51,083 million yen. In connection with the plasma display panel business, there was no beginning liability balance with new restructuring charges incurred in the amount of 51,083 million yen and costs paid or otherwise settled of 5,264 million yen during the fiscal year. The ending liability balance amounted to 45,819 million yen.

Appliances
Appliances segment restructured its operations to improve efficiency. Total restructuring charges amounting to 11,728 million yen included implementation of early retirement programs of 9,584 million yen and closure and integration of locations in the amount of 2,144 million yen. The ending liability balance amounted to 59 million yen and 168 million yen for the years ended March 31, 2012 and 2011, respectively.

Systems & Communications
Systems & Communications segment restructured its operations to improve efficiency. Total restructuring charges amounting to 740 million yen included implementation of early retirement programs of 619 million yen and closure and integration of locations in the amount of 121 million yen. There was no ending liability balance for the year ended March 31, 2012. The ending liability balance amounted to 1,882 million yen for the year ended March 31, 2011.

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Eco Solutions
Eco Solutions segment restructured its operations mainly in Japan to improve cost effectiveness. Total restructuring charges amounting to 11,834 million yen included implementation of early retirement programs of 9,037 million yen and closure and integration of locations in the amount of 2,797 million yen. The ending liability balance amounted to 170 million yen for the year ended March 31 2012. There was no ending liability balance for the year ended March 31, 2011.

Automotive Systems
Automotive Systems segment restructured its operations to improve efficiency overseas. Total restructuring charges amounting to 658 million yen included implementation of early retirement programs of 572 million yen and closure and integration of locations in the amount of 86 million yen. There was no ending liability balance for the years ended March 31, 2012 and 2011, respectively.

Industrial Devices
Industrial Devices segment restructured its operations to improve efficiency and cost effectiveness mainly in Japan. Total restructuring charges amounting to 21,531 million yen included implementation of early retirement programs of 19,429 million yen and closure and integration of locations in the amount of 2,102 million yen. The ending liability balance amounted to 831 million yen and 91 million yen for the years ended March 31, 2012 and 2011, respectively.

Energy
Energy segment restructured its operations mainly to accelerate integration of manufacturing bases and organization in Japan. Total restructuring charges amounting to 7,684 million yen included implementation of early retirement programs of 4,560 million yen and closure and integration of locations in the amount of 3,124 million yen. The ending liability balance amounted to 177 million yen and 137 million yen for the years ended March 31, 2012 and 2011, respectively.

Other
Other segment restructured its operations for selection and concentration of its businesses in Japan and overseas. Total restructuring charges amounting to 50,991 million yen included early retirement programs of 38,464 million yen and closure and integration of locations in the amount of 12,527 million yen. The ending liability balance amounted to 23,886 million yen and 29,040 million yen for the years ended March 31, 2012 and 2011, respectively.

The total amount expected to be incurred in connection with the restructuring activity of SANYO’s semiconductor business that was initiated in fiscal 2011 amounted to 44,170 million yen as of March 31, 2012. The beginning liability balance amounted to 28,060 million yen with no additional restructuring charges incurred and costs paid or otherwise settled of 24,416 million yen during the fiscal year. The ending liability balance amounted to 3,644 million yen.

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The following description represents restructuring activities for the year ended March 31, 2011 by segment:

AVC Networks
AVC Networks segment restructured its operations to improve efficiency. Total restructuring charges amounting to 2,140 million yen included implementation of early retirement programs of 1,845 million yen and closure and integration of locations in the amount of 295 million yen. The ending liability balance amounted to 174 million yen and 992 million yen for the years ended March 31, 2011 and 2010, respectively.

Appliances
Appliances segment restructured its operations to improve efficiency. Total restructuring charges amounting to 3,101 million yen included implementation of early retirement programs of 1,023 million yen and closure and integration of manufacturing locations in the amount of 2,078 million yen. The ending liability balance amounted to 168 million yen and 3,192 million yen for the years ended March 31, 2011 and 2010, respectively.

Systems & Communications
Systems & Communications segment restructured its operations consisting mainly of integration of manufacturing bases in Japan. Total restructuring charges amounting to 2,218 million yen included implementation of early retirement programs of 26 million yen and closure and integration of locations in the amount of 2,192 million yen. The ending liability balance amounted to 1,882 million yen and 760 million yen for the years ended March 31, 2011 and 2010, respectively.

Eco Solutions
Eco Solutions segment restructured its operations mainly in Japan to improve cost effectiveness. Total restructuring charges amounting to 1,325 million yen included implementation of early retirement programs of 434 million yen and closure and integration of locations in the amount of 891 million yen. There was no ending liability balance for the year ended March 31, 2011. The ending liability balance amounted to 1,047 million yen for the year ended March 31, 2010.

Automotive Systems
There was no restructuring charge in Automotive Systems segment. There was no ending liability balance for the year ended March 31, 2011. The ending liability balance amounted to 232 million yen for the year ended March 31, 2010.

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Industrial Devices
Industrial Devices segment restructured its operations to improve efficiency and cost effectiveness. Total restructuring charges amounting to 1,346 million yen included implementation of early retirement programs of 324 million yen and closure and integration of locations in the amount of 1,022 million yen. The ending liability balance amounted to 91 million yen and 2,247 million yen for the years ended March 31, 2011 and 2010, respectively.

Energy
Energy segment restructured its operations to improve cost effectiveness. Total restructuring charges amounting to 468 million yen included implementation of early retirement programs of 303 million yen and closure and integration of locations in the amount of 165 million yen. The ending liability balance amounted to 137 million yen and 40 million yen for the years ended March 31, 2011 and 2010, respectively.

Other
Other segment restructured its operations to improve efficiency. Total restructuring charges amounting to 46,355 million yen included early retirement programs of 13,716 million yen and closure and integration of manufacturing locations in the amount of 32,639 million yen. The ending liability balance amounted to 29,040 million yen and 879 million yen for the years ended March 31, 2011 and 2010, respectively.

In addition to various restructuring activities in this segment, SANYO decided to restructure the Semiconductor business as the result of the SANYO's Board of Directors' action to approve the divestiture on July 15, 2010. The divestiture became effective January 1, 2011. This restructuring activity and subsequent divestiture were the result of SANYO's conclusion that its Semiconductor business did not align with SANYO's strategic and growth initiatives. The restructuring activity and material cash outlays are expected to take place through fiscal 2013. The total amount expected to be incurred in connection with the activity and the actual amount incurred for the year ended March 31, 2011 amounted to 44,170 million yen. In connection with the Semiconductor business, there was no beginning liability balance with new restructuring charges incurred in the amount of 44,170 million yen and costs paid or otherwise settled of 16,110 million yen during the fiscal year. The ending liability balance amounted to 28,060 million yen.

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The following description represents restructuring activities for the year ended March 31, 2010 by segment:

AVC Networks
AVC Networks segment restructured its operations to improve its cost competitiveness. Total restructuring charges amounting to 2,289 million yen included implementation of early retirement programs of 1,534 million yen and closure and integration of locations in the amount of 755 million yen. The ending liability balance amounted to 992 million yen and 3,412 million yen for the years ended March 31, 2010 and 2009, respectively.

Appliances
Appliances segment restructured its operations to accelerate concentration of its business for strengthening its management structure. Total restructuring charges amounting to 7,710 million yen included implementation of early retirement programs of 5,996 million yen and closure and integration of locations in the amount of 1,714 million yen. The ending liability balance amounted to 3,192 million yen and 107 million yen for the years ended March 31, 2010 and 2009, respectively.

Systems & Communications
Systems & Communications segment restructured its operations to improve efficiency in Japan. Total restructuring charges amounting to 13,549 million yen included implementation of early retirement programs of 11,209 million yen and closure and integration of locations in the amount of 2,340 million yen. The ending liability balance amounted to 760 million yen and 23,489 million yen for the years ended March 31, 2010 and 2009, respectively.

Eco Solutions
Eco Solutions segment restructured its operations to improve cost efficiency in Japan and overseas. Total restructuring charges amounting to 9,174 million yen included implementation of early retirement programs of 5,787 million yen and closure and integration of locations in the amount of 3,387 million yen. The ending liability balance amounted to 1,047 million yen and 1,853 million yen for the years ended March 31, 2010 and 2009, respectively.

Automotive Systems
Automotive Systems segment restructured its operations to improve cost effectiveness overseas. Total restructuring charges amounting to 233 million yen included implementation of early retirement programs of 209 million yen and closure and integration of locations in the amount of 24 million yen. The ending liability balance amounted to 232 million yen and 401 million yen for the years ended March 31, 2010 and 2009, respectively.

Industrial Devices
Industrial Devices segment restructured its operations to improve efficiency and cost effectiveness mainly in Japan. Total restructuring charges amounting to 7,777 million yen included implementation of early retirement programs of 5,511 million yen and closure and integration of locations in the amount of 2,266 million yen. The ending liability balance amounted to 2,247 million yen and 1,423 million yen for the years ended March 31, 2010 and 2009, respectively.

Energy
Energy segment restructured its operations to improve cost effectiveness. Total restructuring charges amounting to 77 million yen included implementation of early retirement programs of 37 million yen and closure and integration of locations in the amount of 40 million yen. The ending liability balance amounted to 40 million yen for the year ended March 31, 2010. There was no ending liability balance for the year ended March 31, 2009.

Other
Other segment restructured its operations to improve efficiency. Total restructuring charges amounting

to 14,063 million yen included early retirement programs of 8,671 million and yen and closure and integration of locations in the amount of 5,392 million yen. The ending liability balance amounted to 879 million yen and 1,838 million yen for the years ended March 31, 2010 and 2009, respectively.

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(16) Supplementary Information to the Statements of Operations and Cash Flows

Research and development costs, advertising costs, shipping and handling costs and depreciation charged to earnings for each of the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	2011	2010
Research and development costs	520,217	527,798	476,903
Advertising costs	137,942	156,894	150,866
Shipping and handling costs	153,345	145,315	129,114
Depreciation	259,135	284,244	251,839

Net foreign exchange gains included in other income for the years ended March 31, 2012 and 2011 are 4,658 million yen and 12,128 million yen, respectively. Net foreign exchange losses included in other deductions for the year ended March 31, 2010 are 3,486 million yen.

Shipping and handling costs are included in selling, general and administrative expenses in the consolidated statements of operations.

In fiscal 2012, 2011 and 2010, the Company sold, without recourse, trade receivables of 505,018 million yen, 554,243 million yen and 443,673 million yen to independent third parties for proceeds of 504,098 million yen, 553,130 million yen and 442,779 million yen, and recorded losses on the sale of trade receivables of 920 million yen, 1,113 million yen and 894 million yen, respectively. In fiscal 2012, 2011 and 2010, the Company sold, with recourse, trade receivables of 401,693 million yen, 402,359 million yen and 355,512 million yen to independent third parties for proceeds of 401,158 million yen, 401,979 million yen and 355,113 million yen, and recorded losses on the sale of trade receivables of 535 million yen, 380 million yen and 399 million yen, respectively. Those losses are mainly included in selling, general and administrative expenses. The Company is responsible for servicing most of the receivables. The amounts of trade receivables sold to independent third parties which have not been collected at March 31, 2012 and 2011 are 129,946 million yen and 153,550 million yen, respectively. Those receivables had been derecognized at March 31, 2012 and 2011. Included in trade notes receivable and trade accounts receivable at March 31, 2012 are amounts of 34,293 million yen without recourse and 33,200 million yen with recourse scheduled to be sold to independent third parties. The sale of trade receivables was accounted for under the provision of ASC 860, “Transfers and Servicing,” which provides accounting and reporting standards for transfer and servicing of financial assets and extinguishments of liabilities.

Net gain from insurance recovery related to the Great East Japan Earthquake included in other income for the year ended March 31, 2012 amounted to 5,706 million yen, which was net of loss of 9,721 million yen incurred due to the earthquake. Net loss related to the Great East Japan Earthquake included in other deductions for the year ended March 31, 2011 amounted to 9,160 million yen, which was net of insurance recovery from loss related to the earthquake of 15,430 million yen.

Net loss related to the flooding in Thailand included in other deductions for the year ended March 31, 2012 amounted to 2,513 million yen, which was net of insurance recovery from loss related to the flooding of 7,987 million yen.

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Interest and income taxes paid, and noncash investing and financing activities for each of the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	2011	2010
Cash paid:			
Interest	28,636	28,308	26,301
Income taxes	76,679	75,872	51,441
Noncash investing and financing activities:			
Capital leases	6,668	5,777	37,505
Treasury stock transferred under share exchange	424,010	—	—

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(17) Derivatives and Hedging Activities

The Company operates internationally, giving rise to significant exposure to market risks arising from changes in foreign exchange rates, interest rates and commodity prices. The Company assesses these risks by continually monitoring changes in these exposures and by evaluating hedging opportunities. Derivative financial instruments utilized by the Company to hedge these risks are comprised principally of foreign exchange contracts, interest rate swaps, cross currency swaps and commodity derivatives. The Company does not hold or issue derivative financial instruments for trading purpose.

Amounts included in accumulated other comprehensive income (loss) at March 31, 2012 are expected to be recognized in earnings principally over the next twelve months. The maximum term over which the Company is hedging exposures to the variability of cash flows for foreign currency exchange risk is approximately five months.

The Company is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered mitigated by the high credit rating of the counterparties.

The contract amounts of foreign exchange contracts, cross currency swaps, interest rate swaps and commodity futures at March 31, 2012 and 2011 are as follows:

	Yen (millions)	
	2012	**2011**
Forward:		
To sell foreign currencies	339,271	397,580
To buy foreign currencies	376,075	225,444
Cross currency swaps	123,586	47,668
Interest rate swaps	—	31,170
Commodity futures:		
To sell commodity	156,458	128,411
To buy commodity	170,101	160,483

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The fair values of derivative instruments at March 31, 2012 are as follows:

	Yen (millions)			
	Asset derivatives		Liability derivatives	
	Consolidated balance sheet location	Fair value	Consolidated balance sheet location	Fair value
Derivatives designated as hedging instruments under ASC 815:				
Foreign exchange contracts	Other current assets	56	Other current liabilities	(10,209)
Commodity futures	Other current assets	1,599	Other current liabilities	(231)
Total derivatives designated as hedging instruments under ASC 815		1,655		(10,440)
Derivatives not designated as hedging instruments under ASC 815:				
Foreign exchange contracts	Other current assets	6,774	Other current liabilities	(1,524)
Cross currency swaps	Other current assets	304	—	—
Commodity futures	Other current assets	979	Other current liabilities	(979)
Total derivatives not designated as hedging instruments under ASC 815		8,057		(2,503)
Total derivatives		9,712		(12,943)

The fair values of derivative instruments at March 31, 2011 are as follows:

	Yen (millions)			
	Asset derivatives		Liability derivatives	
	Consolidated balance sheet location	Fair value	Consolidated balance sheet location	Fair value
Derivatives designated as hedging instruments under ASC 815:				
Foreign exchange contracts	Other current assets	252	Other current liabilities	(4,584)
Commodity futures	Other current assets	15,658	Other current liabilities	(601)
Total derivatives designated as hedging instruments under ASC 815		15,910		(5,185)
Derivatives not designated as hedging instruments under ASC 815:				
Foreign exchange contracts	Other current assets	1,619	Other current liabilities	(3,238)
Cross currency swaps	—	—	Other current liabilities	(462)
Interest rate swaps	Other current assets	0	—	—
Commodity futures	Other current assets	4,732	Other current liabilities	(4,732)
Total derivatives not designated as hedging				

instruments under ASC 815	6,351	(8,432)
Total derivatives	22,261	(13,617)

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The effect of derivative instruments on the consolidated statement of operations for the year ended March 31, 2012 is as follows:

Yen (millions)

Hedging instruments in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations
Commodity futures	Other income (deductions)	(4,787)
Total		(4,787)

Yen (millions)

Related hedged items in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations
Trade accounts receivable (payable)	Other income (deductions)	6,510
Total		6,510

Fair value hedges resulted in gains of 1,723 million yen of ineffectiveness.

Yen (millions)

Derivatives in ASC 815 cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivative (effective portion)	Location of gain or (loss) reclassified from accumulated OCI into operations (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into operations (effective portion)
Foreign exchange contracts	4,571	Other income (deductions)	8,070
Commodity futures	(5,154)	Cost of sales	1,486
Total	(583)		9,556

Yen (millions)

Derivatives in ASC 815 cash flow hedging relationships	Location of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)
Foreign exchange contracts	Other income (deductions)	(94)
Commodity futures	—	—
Total		(94)

Yen (millions)

Derivatives not designated as

hedging instruments under ASC 815	Location of gain or (loss) recognized in operations on derivative	Amount of gain or (loss) recognized in operations on derivative
Foreign exchange contracts	Other income (deductions)	16,234
Cross currency swaps	Other income (deductions)	766
Interest rate swaps	Other income (deductions)	0
Commodity futures	Other income (deductions)	0
Total		17,000

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The effect of derivative instruments on the consolidated statement of operations for the year ended March 31, 2011 is as follows:

Yen (millions)

Hedging instruments in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations
Commodity futures	Other income (deductions)	(1,724)
Total		(1,724)

Yen (millions)

Related hedged items in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations
Trade accounts receivable (payable)	Other income (deductions)	3,181
Total		3,181

Fair value hedges resulted in gains of 1,457 million yen of ineffectiveness.

Yen (millions)

Derivatives in ASC 815 cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivative (effective portion)	Location of gain or (loss) reclassified from accumulated OCI into operations (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into operations (effective portion)
Foreign exchange contracts	7,662	Other income (deductions)	11,501
Commodity futures	8,463	Cost of sales	1,446
Total	16,125		12,947

Yen (millions)

Derivatives in ASC 815 cash flow hedging relationships	Location of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)
Foreign exchange contracts	Other income (deductions)	539
Commodity futures	—	—
Total		539

Yen (millions)

Derivatives not designated as

hedging instruments under ASC 815	Location of gain or (loss) recognized in operations on derivative	Amount of gain or (loss) recognized in operations on derivative
Foreign exchange contracts	Other income (deductions)	7,707
Cross currency swaps	Other income (deductions)	(179)
Interest rate swaps	Other income (deductions)	(23)
Commodity futures	Other income (deductions)	0
Total		7,505

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The effect of derivative instruments on the consolidated statement of operations for the year ended March 31, 2010 is as follows:

Hedging instruments in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations (Yen (millions))
Commodity futures	Other income (deductions)	41,003
Total		41,003

Related hedged items in ASC 815 fair value hedging relationships	Location of gain or (loss) recognized in operations	Amount of gain or (loss) recognized in operations (Yen (millions))
Trade accounts receivable (payable)	Other income (deductions)	(39,024)
Total		(39,024)

Fair value hedges resulted in gains of 1,979 million yen of ineffectiveness.

Derivatives in ASC 815 cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivative (effective portion) (Yen (millions))	Location of gain or (loss) reclassified from accumulated OCI into operations (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into operations (effective portion) (Yen (millions))
Foreign exchange contracts	(613)	Other income (deductions)	(4,599)
Cross currency swaps	(291)	Other income (deductions)	(16)
Commodity futures	3,611	Cost of sales	(42)
Total	2,707		(4,657)

Derivatives in ASC 815 cash flow hedging relationships	Location of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing) (Yen (millions))
Foreign exchange contracts	Other income (deductions)	1,228
Cross currency swaps	—	—
Commodity futures	—	—
Total		1,228

		Yen (millions)
Derivatives not designated as hedging instruments under ASC 815	**Location of gain or (loss) recognized in operations on derivative**	**Amount of gain or (loss) recognized in operations on derivative**
Foreign exchange contracts	Other income (deductions)	2,950
Cross currency swaps	Other income (deductions)	(1,543)
Interest rate swaps	Other income (deductions)	(3)
Commodity futures	Other income (deductions)	0
Total		1,404

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(18) Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, Time deposits, Trade receivables, Short-term debt, Trade payables and Accrued expenses
The carrying amount approximates fair value because of the short maturity of these instruments.

Short-term investments
The carrying amount is equal to the fair value which is estimated based on quoted market prices.

Investments and advances
The fair value of investments and advances is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates. The Company classified advances in Level 2. The three levels of the fair value hierarchy are described below in this Note.

Long-term debt, including current portion
The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates. The Company classified long-term debt in Level 2. The three levels of the fair value hierarchy are described below in this Note.

Derivative financial instruments
The fair value of derivative financial instruments, all of which are used for hedging purposes, is estimated based on unadjusted market prices or quotes obtained from brokers, which are periodically validated by pricing models using observable inactive market inputs.

The estimated fair values of financial instruments, all of which are held or issued for purposes other than trading, at March 31, 2012 and 2011 are as follows:

	Yen (millions)			
	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivatives:				
Assets:				
Short-term investments	483	483	—	—
Other investments and advances	310,529	310,526	409,938	410,023
Liabilities:				
Long-term debt, including current portion	(1,157,393)	(1,175,868)	(1,535,858)	(1,548,251)
Derivatives:				
Other current assets:				
Forward:				
To sell foreign currencies	452	452	1,420	1,420
To buy foreign currencies	6,378	6,378	451	451
Cross currency swaps	304	304	—	—
Interest rate swaps	—	—	0	0
Commodity futures:				
To sell commodity	19	19	—	—
To buy commodity	2,559	2,559	20,390	20,390
Other current liabilities:				

Forward:				
To sell foreign currencies	(9,837)	(9,837)	(4,536)	(4,536)
To buy foreign currencies	(1,896)	(1,896)	(3,286)	(3,286)
Cross currency swaps	—	—	(462)	(462)
Commodity futures:				
To sell commodity	(1,000)	(1,000)	(5,333)	(5,333)
To buy commodity	(210)	(210)	—	—

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Limitations
Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The provisions of ASC 820 define fair value and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets.
Level 2 — Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3 — Unobservable inputs for the asset or liability.

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The following table represents assets and liabilities that are measured at fair value on a recurring basis at March 31, 2012 and 2011:

	Yen (millions)			
	2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities:				
Equity securities	225,433	—	—	225,433
Corporate and government bonds	—	1,711	—	1,711
Other debt securities	—	593	—	593
Total available-for-sale securities	225,433	2,304	—	227,737
Derivatives:				
Foreign exchange contracts	—	6,830	—	6,830
Cross currency swaps	—	304	—	304
Commodity futures	2,056	522	—	2,578
Total derivatives	2,056	7,656	—	9,712
Total	227,489	9,960	—	237,449
Liabilities:				
Derivatives:				
Foreign exchange contracts	—	(11,733)	—	(11,733)
Commodity futures	(753)	(457)	—	(1,210)
Total derivatives	(753)	(12,190)	—	(12,943)
Total	(753)	(12,190)	—	(12,943)

	Yen (millions)			
	2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities:				
Equity securities	313,813	—	—	313,813
Corporate and government bonds	—	2,201	—	2,201
Other debt securities	—	546	—	546
Total available-for-sale securities	313,813	2,747	—	316,560
Derivatives:				
Foreign exchange contracts	—	1,871	—	1,871
Interest rate swaps	—	0	—	0
Commodity futures	18,564	1,826	—	20,390

Total derivatives	18,564	3,697	—	22,261
Total	332,377	6,444	—	338,821
Liabilities:				
Derivatives:				
Foreign exchange contracts	—	(7,822)	—	(7,822)
Cross currency swaps	—	(462)	—	(462)
Commodity futures	(2,427)	(2,906)	—	(5,333)
Total derivatives	(2,427)	(11,190)	—	(13,617)
Total	(2,427)	(11,190)	—	(13,617)

The Company's existing marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

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Level 2 available-for-sale securities include all debt securities, which are valued using inputs other than quoted prices that are observable. Level 2 derivatives including foreign exchange contracts and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and market prices for commodity futures.

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The following table presents assets and liabilities that are measured at fair value on a nonrecurring basis for the years ended March 31, 2012 and 2011:

	Yen (millions)				
	2012				
	Total gains (losses)	Fair value: Level 1	Level 2	Level 3	Total
Assets:					
Investments in associated companies	(8,831)	29,349	—	—	29,349
Long-lived assets	(399,259)	—	—	227,311	227,311
Goodwill	(163,902)	—	—	87,379	87,379
Liabilities:					
Other accrued expenses	(48,000)	—	—	(48,000)	(48,000)

	Yen (millions)				
	2011				
	Total gains (losses)	Fair value: Level 1	Level 2	Level 3	Total
Assets:					
Investments in associated companies	(8,318)	23,196	—	2,933	26,129
Long-lived assets	(34,692)	—	—	31,114	31,114

During the year ended March 31, 2012, the Company classified most of assets and liabilities described above in Level 3 as the Company used unobservable inputs to value these assets and liabilities when recognizing impairment losses related to the assets and accrued expenses related to the liabilities. The fair value for the major assets and liabilities was measured through repurchase cost method, excess earnings method, relief-from-royalty method, discounted cash flow method, guideline public company method, and guideline merged and acquired company method. The Company classified certain investments in Level 1 as the Company used an unadjusted quoted market price in active markets as input to value the investment.

During the year ended March 31, 2011, the Company classified most of assets described above in Level 3 as the Company used unobservable inputs to value these assets when recognizing impairment losses related to the assets. The fair value for the major assets was measured through estimated future cash flows. The Company classified certain investments in Level 1 as the Company used an unadjusted quoted market price in active markets as input to value the investment.

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The following table presents assets and liabilities that are measured at fair value on a nonrecurring basis in Level 3 for the three months ended March 31, 2012:

	Yen (millions)			
	For the three months ended March 31, 2012			
	Fair value at March 31, 2012	Valuation technique	Unobservable inputs	Range
Assets:				
Long-lived assets	212,821	Repurchase cost method	Residual value ratio	12.2%-43.9%
		Excess earnings method	Discount rate	8.0%-15.0%
		Relief-from-royalty method	Discount rate	8.0%-15.0%
Goodwill	76,911	Discounted cash flow method	Weighted average cost of capital	5.4%-7.9%
		Guideline public company method	EBITDA multiple	4.4-8.3
		Guideline merged and acquired company method	EBITDA multiple	9.0-10.0

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(19) Commitments and Contingent Liabilities

The Company provides guarantees to third parties mainly on bank loans provided to associated companies and customers. The guarantees are made to enhance their credit. For each guarantee provided, the Company is required to perform under the guarantee if the guaranteed party defaults on a payment. Also, as discussed in Note 16, the Company sold certain trade receivables to independent third parties, some of which are with recourse. If the collectibility of those receivables with recourse becomes doubtful, the Company is obligated to assume the liabilities. At March 31, 2012, the maximum amount of undiscounted payments the Company would have to make in the event of default was 31,008 million yen. The carrying amount of the liabilities recognized for the Company's obligations as a guarantor under those guarantees at March 31, 2012 was immaterial.

As discussed in Note 6, in connection with the sale and leaseback of certain machinery and equipment, the Company guarantees a specific value of the leased assets. For each guarantee provided, the Company is required to perform under the guarantee if certain conditions are met during or at the end of the lease term. At March 31, 2012, the maximum amount of undiscounted payments the Company would have to make in the event that these conditions were met was 8,960 million yen. The carrying amount of the liabilities recognized for the Company's obligations as a guarantor under those guarantees at March 31, 2012 was 3,083 million yen.

The Company issues contractual product warranties under which it generally guarantees the performance of products delivered and services rendered for a certain period or term. The change in accrued warranty costs for the years ended March 31, 2012 and 2011 are summarized as follows:

	Yen (millions)	
	2012	**2011**
Balance at beginning of year	55,304	51,306
Liabilities accrued for warranties issued during the period	41,094	47,644
Warranty claims paid during the period	(34,013)	(35,885)
Changes in liabilities for pre-existing warranties during the period, including expirations	(4,246)	(7,761)
Balance at end of year	58,139	55,304

At March 31, 2012, commitments outstanding for the purchase of property, plant and equipment approximated 22,461 million yen. Certain subsidiaries are under contracts to purchase specific raw materials until 2020. At March 31, 2012, commitments outstanding for this contract approximated 74,754 million yen.

Liabilities for environmental remediation costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. In January 2003, the Company announced that disposed electric equipment that contained polychlorinated biphenyls (PCB equipment) might be buried in the ground of its four manufacturing facilities and one former manufacturing facility. The applicable laws require that PCB equipment be appropriately maintained and disposed of by July 2016. At March 31, 2012, the Company has accrued estimated total cost of 5,167 million yen for necessary actions such as investigating whether the PCB equipment is buried at the facilities, including excavations, maintaining and disposing the PCB equipment that is already discovered, and soil remediation, since it represents management's best estimate or minimum of the cost, but the payments are not considered to be fixed and reliably determinable.

The Company and certain subsidiaries are under the term of leasehold interest contracts for land of domestic

factories and have obligations for restitution on their leaving. The asset retirement obligations cannot be reasonably estimated because the durations of use of the leased land are not specified and there are no plans to undertake relocation in the future. Therefore the Company did not recognize asset retirement obligations.

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The Company and certain of its subsidiaries are subject to a number of legal proceedings including civil litigations related to tax, products or intellectual properties, or governmental investigations.

Since November 2007, the Company and MT Picture Display Co., Ltd. (MTPD), a subsidiary of the Company, are subject to investigations by government authorities, including the Japan Fair Trade Commission, the U.S. Department of Justice and the European Commission, in respect of alleged antitrust violations relating to cathode ray tubes (CRTs). Subsequent to these actions by the authorities, a number of class action lawsuits have been filed in the U.S. and Canada against the Company and certain of its subsidiaries. In October 2009, the Japan Fair Trade Commission issued a cease and desist order against MTPD and assessed a fine against its three subsidiaries in South East Asia, but each named company filed for a hearing to challenge the orders which is currently subject to proceedings. Since February 2009, the Company is subject to investigations by government authorities, including the U.S. Department of Justice and the European Commission, in respect to alleged antitrust violations relating to compressors for refrigerator use. Subsequent to these actions by the authorities, a number of class action lawsuits have been filed in the U.S. and Canada against the Company and certain of its subsidiaries. The Company has paid a fine to the U.S. Department of Justice and the Competition Bureau Canada for the year ended March 31, 2011 to resolve alleged antitrust violations relating to compressors for refrigerator use. In December 2011, the Company received notification of a European Commission Decision and paid a fine on refrigerator compressors for the year ended March 31, 2012. The Company has been cooperating with various governmental investigations. Depending upon the outcome of these different proceedings, the Company and certain of its subsidiaries may be subject to an uncertain amount of fines, and accordingly the Company has accrued for certain probable and reasonable estimated amounts for the fines. The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involve a large number of parties or taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings where there is only a reasonable possibility that a loss exceeding amounts already recognized may have been incurred.

Other than those above, there are a number of legal actions against the Company and certain subsidiaries. Management is of the opinion that unfavorable outcome, if any, resulting from these actions will not have a material effect on the Company’s consolidated financial statements.

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(20) Segment Information

In accordance with the provisions of ASC 280, the segments reported below are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker of the Company in deciding how to allocate resources and in assessing performance.

The Company restructured its Group organization on January 1, 2012 resulting in the number of reportable segments from six to eight. "AVC Networks" provides imaging equipment such as flat-panel TVs, AVC network equipment including Blue-ray Disc recorders, digital cameras and notebook PCs as well as projectors, airplane AV systems and other business-use AV equipment. "Appliances" delivers products and services that meet customer needs in the homemaking, cooking, beauty and grooming and health, cooling and heating, hot water supply, and cold chain equipment fields. "Systems & Communications" is comprised of the system network and mobile communications businesses. "Eco Solutions" is comprised of four business groups, which are the lighting business, the energy systems business, the housing systems business, and the environmental systems business. "Automotive Systems" operates in wide-ranging fields such as car-use-multimedia-related equipment, eco-car-related equipment and electrical components. "Industrial Devices" covers a wide range of products such as electronic components, electronic materials, semiconductors, and optical devices. "Energy" develops a broad energy-based business including solar photovoltaic systems and lithium-ion batteries where use is also expanding from consumer to storage, in-car, and other fields. "Other" provides a variety of healthcare-related products and services, manufacturing systems for electronic component mounting, 'eco ideas' homes through each of its detached housing, asset and property management, and home remodeling businesses.

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By Segment:

Segment information for fiscal 2011 and fiscal 2010 has been reclassified to conform to the presentation for fiscal 2012. Information by segment for each of the three years ended March 31, 2012 is shown in the tables below:

	Yen (millions)		
	2012	2011	2010
Sales:			
AVC Networks:			
Customers	1,451,410	1,812,495	1,874,278
Intersegment	262,065	344,264	310,578
Total	1,713,475	2,156,759	2,184,856
Appliances:			
Customers	1,133,104	1,074,046	941,176
Intersegment	401,079	408,834	333,119
Total	1,534,183	1,482,880	1,274,295
System & Communications:			
Customers	637,931	717,541	772,201
Intersegment	202,929	220,606	231,783
Total	840,860	938,147	1,003,984
Eco Solutions:			
Customers	1,256,633	1,253,165	1,059,616
Intersegment	269,180	273,377	251,488
Total	1,525,813	1,526,542	1,311,104
Automotive Systems:			
Customers	624,878	573,170	550,178
Intersegment	28,369	38,462	23,902
Total	653,247	611,632	574,080
Industrial Devices:			
Customers	1,152,872	1,354,817	1,216,981
Intersegment	251,698	316,138	312,564
Total	1,404,570	1,670,955	1,529,545
Energy:			
Customers	319,877	315,495	104,447
Intersegment	295,008	321,520	236,469
Total	614,885	637,015	340,916
Other:			
Customers	1,269,511	1,591,943	899,103
Intersegment	611,350	712,827	649,494
Total	1,880,861	2,304,770	1,548,597
Eliminations	(2,321,678)	(2,636,028)	(2,349,397)

Consolidated total	7,846,216	8,692,672	7,417,980

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	Yen (millions)		
	2012	2011	2010
Profit (loss):			
AVC Networks	(67,853)	27,342	14,572
Appliances	81,470	84,032	56,363
Systems & Communications	17,341	47,558	37,860
Eco Solutions	58,859	57,905	30,348
Automotive Systems	4,941	22,678	22,307
Industrial Devices	(16,599)	69,940	55,400
Energy	(20,880)	(15,232)	711
Other	23,576	60,850	22,381
Corporate and eliminations	(37,130)	(49,819)	(49,489)
Total segment profit	43,725	305,254	190,453
Interest income	13,388	11,593	12,348
Dividends received	6,129	6,323	6,746
Other income	44,124	59,050	47,896
Interest expense	(28,404)	(27,524)	(25,718)
Impairment losses of long-lived assets	(399,259)	(34,692)	(79,259)
Goodwill impairment	(163,902)	—	(3,745)
Other deductions	(328,645)	(141,197)	(178,036)
Consolidated income (loss) before income taxes	(812,844)	178,807	(29,315)

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	Yen (millions)		
	2012	2011	2010
Identifiable assets:			
AVC Networks	848,999	1,208,534	1,228,951
Appliances	716,387	745,116	767,730
Systems & Communications	516,300	503,390	534,504
Eco Solutions	893,430	922,079	940,574
Automotive Systems	287,390	235,177	259,610
Industrial Devices	1,035,572	1,142,202	1,212,212
Energy	908,644	1,140,545	1,210,992
Other	776,412	1,009,532	1,075,235
Corporate and eliminations	617,921	916,295	1,128,249
Consolidated total	6,601,055	7,822,870	8,358,057
Depreciation and amortization:			
AVC Networks	58,123	68,480	63,033
Appliances	33,021	34,083	29,038
Systems & Communications	11,052	12,869	13,760
Eco Solutions	34,822	34,493	42,075
Automotive Systems	7,528	7,463	6,295
Industrial Devices	74,961	78,597	69,907
Energy	68,355	76,069	30,885
Other	34,958	39,560	23,985
Corporate and eliminations	14,770	15,392	19,036
Consolidated total	337,590	367,006	298,014
Capital investment:			
AVC Networks	53,223	138,476	239,494
Appliances	44,754	34,008	24,663
Systems & Communications	11,886	17,222	10,181
Eco Solutions	32,476	32,270	37,424
Automotive Systems	6,216	4,849	3,568
Industrial Devices	74,714	81,655	47,820
Energy	55,370	81,250	66,195
Other	28,804	37,051	22,922
Corporate and eliminations	23,359	25,404	12,052
Consolidated total	330,802	452,185	464,319

Corporate expenses include certain corporate R&D expenditures and general corporate expenses.

Corporate assets consist of cash and cash equivalents, time deposits, marketable securities in short-term investments, investments and advances and other assets related to unallocated expenses.

Depreciation and amortization include amortization of intangibles, but exclude amortization of deferred bond issuance expenses.

Capital investment consists of purchases of property, plant and equipment, and intangibles on an accrual

basis.

Intangibles mainly represent patents and know-how, and software.

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By Geographical Area:

Sales attributed to countries based upon the customer's location and property, plant and equipment are as follows for each of the three years ended March 31, 2012:

	Yen (millions)		
	2012	2011	2010
Sales:			
Japan	4,162,025	4,514,246	3,994,379
North and South America	966,527	1,070,833	917,898
Europe	743,547	857,192	771,251
Asia and Others	1,974,117	2,250,401	1,734,452
Consolidated total	7,846,216	8,692,672	7,417,980
United States included in North and South America	804,012	904,968	781,264
China included in Asia and Others	1,043,036	1,178,010	903,531
Property, plant and equipment:			
Japan	1,339,115	1,509,705	1,571,914
North and South America	36,739	36,738	42,215
Europe	39,607	45,714	48,444
Asia and Others	318,822	291,152	293,448
Consolidated total	1,734,283	1,883,309	1,956,021

There are no individually material countries which should be separately disclosed in North and South America, Europe, and Asia and Others, except for the United States and China on sales.

Transfers between segments are made at arms-length prices. There is no material concentration of sales to a single external major customer for each of the three years ended March 31, 2012.

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(21) Equity Transactions with Noncontrolling Interests

Net income (loss) attributable to Panasonic Corporation and transfers (to) from the noncontrolling interests for each of the three years ended March 31, 2012 are as follows:

	Yen (millions)		
	2012	**2011**	**2010**
Net income (loss) attributable to Panasonic Corporation	(772,172)	74,017	(103,465)
Transfers (to) from the noncontrolling interests:			
Increase (decrease) in capital surplus for purchase of additional shares in consolidated subsidiaries primarily for the purpose of conversion into wholly-owned subsidiaries	19,101	(109,326)	(8,240)
Total	19,101	(109,326)	(8,240)
Change from net income (loss) attributable to Panasonic Corporation and transfers (to) from the noncontrolling interests	(753,071)	(35,309)	(111,705)

The Company conducted tender offers in October 2010 to purchase additional common shares of PEW and SANYO. As a result, the equity ownership of the Company in PEW and SANYO became approximately 84% and 81%, respectively. On April 1, 2011, PEW and SANYO became wholly-owned subsidiaries through share exchanges. The difference between cash consideration paid or the fair value of the shares of the Company delivered to the noncontrolling interests and the decrease in the carrying amount of the noncontrolling interests was recognized as an adjustment to capital surplus.

In June 2010, the Company purchased the noncontrolling interests of IPS Alpha Technology, Ltd., whose name was subsequently changed to Panasonic Liquid Display Co. Ltd.

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Schedule II

**PANASONIC CORPORATION
AND SUBSIDIARIES**

**Valuation and Qualifying Accounts and Reserves
(In millions of yen)**

Years ended March 31, 2012, 2011 and 2010

		Add	Deduct		Add (deduct)	
	Balance at beginning of period	**Charged to income**	**Bad debts written off**	**Reversal**	**Cumulative translation adjustments**	**Balance at end of period**
Allowance for doubtful receivables:						
2012	21,860	12,162	1,648	4,696	(1,074)	26,604
2011	24,158	4,392	1,835	3,919	(936)	21,860
2010	21,131	10,862	4,234	3,623	22	24,158

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Item 19. Exhibits

Documents filed as exhibits to this annual report are as follows:

1.1	Articles of Incorporation of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2010]
1.2	Share Handling Regulations of the Registrant (English translation)
1.3	Regulations of the Board of Directors of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on September 11, 2006]
1.4	Regulations of the Board of Corporate Auditors of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2009]
2.1	Form of Amended and Restated Deposit Agreement among the Registrant, Morgan Guaranty Trust Company of New York (now JPMorgan Chase Bank, N.A.) as Depositary and all owners and holders from time to time of American Depositary Receipts [incorporated by reference to the Registration Statement on Form F-6 (File No. 333-12694) filed on October 4, 2000] and form of Amendment No.1 to Deposit Agreement among such parties, including the form of American Depositary Receipt [incorporated by reference to Post-effective Amendment No.1 to the Registration Statement on From F-6 (File No. 333-133099) filed on September 30, 2008]
4.1	Liability Limitation Agreement (English translation) [Matsushita and Ikuo Uno entered into a Liability Limitation Agreement, dated June 29, 2005, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on September 12, 2005] [Matsushita and Masayuki Oku entered into a Liability Limitation Agreement, dated June 26, 2008, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2008] [Matsushita and each of Yasuo Yoshino, Ikuo Hata and Hiroyuki Takahashi, entered into a Liability Limitation Agreement, each dated June 28, 2006, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on September 11, 2006]
4.2	Share Exchange Agreement dated December 21, 2010 between the Company and Panasonic Electric Works Co., Ltd (English translation) [incorporated by reference to Appendix A to the final Prospectus filed pursuant to Rule 424 (b) (3) and relating to the registration statement on Form F-4 (File No. 333-171124) filed on February 10, 2011]
4.3	Share Exchange Agreement dated December 21, 2010 between the Company and SANYO Electric Co., Ltd (English translation) [incorporated by reference to Appendix A to the final Prospectus filed pursuant to Rule 424 (b) (3) and relating to the registration statement on Form F-4 (File No. 333-171125) filed on February 10, 2011]
8.1	Subsidiaries of the Registrant [List of significant subsidiaries (see Section C of Item 4)]
11.1	Code of Ethics for Directors and Executive Officers (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2009]
12.1	Certification of the principal executive officer of the Company required by Rule 13a-14(a)
12.2	Certification of the principal financial officer of the Company required by Rule 13a-14(a)
13.1	Certification required by Rule 13a-14(a) and Section 1350 of Chapter 63 of Title 18 of the United States Code
15.1	Continuation of Policy toward Large-scale Purchases of Panasonic Shares
101	INS XBRL Instance Document

101	SCH XBRL Taxonomy Extension Schema
101	CAL XBRL Taxonomy Extension Calculation Linkbase
101	DEF XBRL Taxonomy Extension Definition Linkbase
101	LAB XBRL Taxonomy Extension Label Linkbase
101	PRE XBRL Taxonomy Extension Presentation Linkbase

The Company has not included as exhibits certain instruments with respect to its long-term debt, the amount of debt authorized under each of which does not exceed 10% of its total assets, and it agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

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SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Company certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

PANASONIC CORPORATION
(Registrant)

Date: June 28, 2012

By /s/ Masahito Yamamura
Masahito Yamamura
Attorney-in-Fact
General Manager of Investor Relations
Panasonic Corporation

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Index to Exhibits

Documents filed as exhibits to this annual report are as follows:

1.1	Articles of Incorporation of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2010]
1.2	Share Handling Regulations of the Registrant (English translation)
1.3	Regulations of the Board of Directors of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on September 11, 2006]
1.4	Regulations of the Board of Corporate Auditors of the Registrant (English translation) [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2009]
2.1	Form of Amended and Restated Deposit Agreement among the Registrant, Morgan Guaranty Trust Company of New York (now JPMorgan Chase Bank, N.A.) as Depositary and all owners and holders from time to time of American Depositary Receipts [incorporated by reference to the Registration Statement on Form F-6 (File No. 333-12694) filed on October 4, 2000] and form of Amendment No.1 to Deposit Agreement among such parties, including the form of American Depositary Receipt [incorporated by reference to Post-effective Amendment No.1 to the Registration Statement on From F-6 (File No. 333-133099) filed on September 30, 2008]
4.1	Liability Limitation Agreement (English translation) [Matsushita and Ikuo Uno entered into a Liability Limitation Agreement, dated June 29, 2005, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on September 12, 2005] [Matsushita and Masayuki Oku entered into a Liability Limitation Agreement, dated June 26, 2008, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No. 001-06784) filed on June 30, 2008] [Matsushita and each of Yasuo Yoshino, Ikuo Hata and Hiroyuki Takahashi, entered into a Liability Limitation Agreement, each dated June 28, 2006, in the form of this Exhibit.] [incorporated by reference to the Annual Report on Form 20-F (File No.001-06784) filed on September 11, 2006]
4.2	Share Exchange Agreement dated December 21, 2010 between the Company and Panasonic Electric Works Co., Ltd (English translation) [incorporated by reference to Appendix A to the final Prospectus filed pursuant to Rule 424 (b) (3) and relating to the registration statement on Form F-4 (File No. 333-171124) filed on February 10, 2011]
4.3	Share Exchange Agreement dated December 21, 2010 between the Company and SANYO Electric Co., Ltd (English translation) [incorporated by reference to Appendix A to the final Prospectus filed pursuant to Rule 424 (b) (3) and relating to the registration statement on Form F-4 (File No. 333-171125) filed on February 10, 2011]
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